H.R. 2866: Mr. BERMAN and Mr. HILLIARD.

H.R. 2896: Mr. TERRY, Ms. HART, and Mr. DOOLITTLE.

H.R. 2899: Mr. WAMP.

H.R. 2902: Mr. DAVIS of Illinois, Mr. BORSKI, Mr. PAYNE, Mr. BACA, Ms. ROS-LEHTINEN, and Ms. LEE.

H.R. 2907: Mrs. THURMAN. Mr. FALEOMAVAEGA, Mrs. LOWEY, Mr. FATTAH, Mr. KUCINICH, Mrs. CLAYTON, and Mr. CARSON of Oklahoma.

H.R. 2940: Mr. FOSSELLA, Mr. FORD, Mr. MCGOVERN, Mr. MCINTYRE, Mr. SKELTON, Ms. KILPATRICK, Mr. LEWIS of Georgia, Mr. GONZALEZ, Mr. ROSS, Mr. BOUCHER, Mr. OXLEY, and Mr. HONDA.

H.R. 2945: Mr. SIMMONS and Mr. SAWYER.

H.R. 2946: Mr. TOWNS, Mr. MCGOVERN, Mr. SANDERS, Ms. PELOSI, Mr. PASTOR, Mr. KUCINICH, Ms. MCKINNEY, Mr. HALL of Ohio, Mr. CAPUANO, Mr. ETHERIDGE, Mr. GILMAN, Mr. BACA, Mr. BLAGOJEVICH, Ms. VELAZQUEZ, Mr. FOLEY, Ms. HARMAN, Ms. LEE, Mr. ROTHMAN, Mr. PAYNE, Mr. SCOTT, Mr. DAVIS of Illinois, Ms. NORTON, Mrs. CAPPS, Mr. KENNEDY of Rhode Island, Mr. LEWIS of Georgia, Mr. CLAY, Mr. MEEKS of New York, and Ms. WOOLSEY.

H.R. 2951: Mrs. ROUKEMA, Mr. BONIOR, Mr. STRICKLAND, Mr. FORD, and Mr. SWEENEY.

H.R. 2955: Mr. BERMAN, Mr. PALLONE, Mr. NEAL of Massachusetts, Mr. GUTIERREZ, and Mr. LANGEVIN.

H.R. 2961; Mr. GUTIERREZ and Mr. UNDERWOOD.

H.R. 2965: Mr. LATOURETTE, Mr. GREENWOOD, Mrs. MCCARTHY of New York, Mrs. TAUSCHER, Mr. LIPINSKI, Mr. KANJORSKI, Mrs. JOHNSON of Connecticut, and Mr. SIMMONS.

H.R. 2969: Ms. LEE, Mrs. JONES of Ohio, Mr. HINCHEY, Mr. BEREUTER, Mr. HILLIARD, and Mr. KANJORSKI.

H. Con. Res. 46: Mr. BONIOR, Mr. TERRY, and Mrs. MINK of Hawaii.

H. Con. Res. 104: Mr. WAMP, Mr. FORBES, Mrs. MCCARTHY of New York, Ms. DELAURO, and Mr. ORTIZ.

H. Con. Res. 162: Mr. MEEHAN.

H. Con. Res. 180: Mr. WAXMAN and Ms. HOOLEY of Oregon.

H. Con. Res. 188: Mr. KIRK.

H. Con. Res. 212: Mr. PASTOR.

H. Con. Res. 216: Mr. MCGOVERN.

H. Con. Res. 228: Mrs. NAPOLITANO, Mr. BONIOR, Ms. SCHAKOWSKY, and Mr. MORAN of Virginia.

H. Con. Res. 232: Mr. WALSH, Mr. SHAW, Mr. BALLENGER, Mr. PLATTS, Mr. FORD, Ms. ROS-LEHTINEN, Mr. GREENWOOD, Mr. PRICE of North Carolina, Ms. KAPTUR, Mr. MCHUGH, Ms. BALDWIN, Mr. FERGUSON, Mr. WOLF, Mr. TIBERI, Ms. JACKSON-LEE of Texas, Mr. GOSS, Mr. HOLT, Mr. CARSON of Oklahoma, Mrs. ROUKEMA, Ms. WATSON, Mr. WYNN, Mr. MCGOVERN, Mr. FROST, Mr. SANDERS, Mr. HERGER, and Mr. KENNEDY of Minnesota.

H. Con. Res. 233: Mr. FALEOMAVAEGA, Mr. TAYLOR of Mississippi, Mr. CUNNINGHAM, Ms. RIVERS, Mr. WATT of North Carolina, Mr. SERRANO, Mr. KOLBE, Mr. FLETCHER, Ms. BALDWIN, Mrs. MINK of Hawaii, Mr. BLUMENAUER, Mrs. JONES of Ohio, Mr. DOOLEY of California, Mr. MCKEON, Ms. WATSON, Mr. KUCINICH, and Mr. BONIOR.

H. Con. Res. 234: Mr. VISCLOSKY, Mr. KUCINICH, and Mr. ENGLISH.

H. Res. 65: Mr. ENGLISH.

H. Res. 115: Mr. KNOLLENBERG, Ms. RIVERS, and Mr. UDALL of Colorado.

H. Res. 198: Mr. BEREUTER.

H. Res. 235: Mr. WYNN, Mr. MCNULTY, Mr. FILNER, Mr. MCGOVERN, Mr. BACA, and Mr. KUCINICH.

H. Res. 243: Mr. DIAZ-BALART, Mr. FATTAH, Mr. SHAYS, Mr. SIMMONS, Mr. SKEEN, Ms. SLAUGHTER, Ms. HART, Mr. GREENWOOD, Mr. HOEFFEL, Mrs. MINK of Hawaii, Mr. CROWLEY, Mr. WEINER, Mr. DAVIS of Illinois, Mr. LAHOOD, Mr. ACKERMAN, Mr. STUPAK, Mr. GEKAS, Mr. TAYLOR of Mississippi, Mr. BONIOR, Mr. FROST, Ms. ROS-LEHTINEN, Ms. MCKINNEY, Mr. PRICE of North Carolina, Mr. PASTOR, Mr. TIBERI, Mr. CALVERT, and Mr. KENNEDY of Minnesota.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 2646

OFFERED BY: MR. ACKERMAN

AMENDMENT NO. 2: At the end of title IX (page 354, after line 16), insert the following new section:

SEC. ___. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

Title III of the Packers and Stockyards Act, 1921, (7 U.S.C. 201 et seq.) is amended by adding at the end the following:

''SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

''(a) DEFINITIONS.—In this section:

''(1) HUMANELY EUTHANIZE.—The term 'humanely euthanize' means to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal's death.

''(2) NONAMBULATORY LIVESTOCK.—The term 'nonambulatory livestock' means any livestock that is unable to stand and walk unassisted.

''(b) UNLAWFUL PRACTICES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), it shall be unlawful for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any nonambulatory livestock unless the nonambulatory livestock has been humanely euthanized.

''(2) EXCEPTIONS.—

''(A) NON-GIPSA FARMS.—Paragraph (1) shall not apply to any farm the animal care practices of which are not subject to the authority of the Grain Inspection, Packers, and Stockyards Administration.

''(B) VETERINARY CARE.—Paragraph (1) shall not apply in a case in which nonambulatory livestock receive veterinary care intended to render the livestock ambulatory.

''(c) APPLICATION OF PROHIBITION.—Subsection (b) shall apply beginning one year after the date of the enactment of the Farm Security Act of 2001. By the end of such period, the Secretary shall promulgate regulations to carry out this section.''.

H.R. 2646

OFFERED BY: MR. ANDREWS

AMENDMENT NO. 3: At the end of subtitle F of title II, insert the following:

SEC. ___. PROVISION OF ASSISTANCE FOR REPAUPO CREEK TIDE GATE AND DIKE RESTORATION PROJECT, NEW JERSEY.

(a) IN GENERAL.—Notwithstanding section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203), the Secretary of Agriculture, acting through the Natural Resources Conservation Service, shall provide assistance for planning and implementation of the Repaupo Creek Tide Gate and Dike Restoration Project in the State of New Jersey.

(b) FUNDING.—Of the funds available for the Emergency Watershed Protection Program, not to exceed $600,000 shall be available to the Secretary of Agriculture to carry out subsection (a).

H.R. 2646

OFFERED BY: MR. BEREUTER

[References are to the amendment in the nature of a substitute]

AMENDMENT NO. 4: In section 212(a)—

(1) strike ''and'' at the end of paragraph (1);

(2) strike the last period at the end of paragraph (2) and insert ''; and''; and

(3) add at the end the following:

(3) by adding after and below the end the following flush sentence:

''Notwithstanding the preceding sentence (but subject to subsection (c)), the Secretary may not include in the program established under this subchapter any land that has not been in production for at least 4 years, unless the land is in the program as of the effective date of this sentence.''.

H.R. 2646

OFFERED BY: MR. BEREUTER

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.01]

AMENDMENT NO. 5: At the end of subtitle B of title I (page 66, after line 3), insert the following new section:

SEC. 132. ALTERNATIVE LOAN RATES UNDER FLEXIBLE FALLOW PROGRAM.

(a) DEFINITION OF TOTAL PLANTED ACREAGE.—In this section, the term ''total planted acreage'' means the cropland acreage of a producer that for the 2000 crop year was—

(1) planted to a covered commodity;

(2) prevented from being planted to a covered commodity; or

(3) fallow as part of a fallow rotation practice with respect to a covered commodity, as determined by the Secretary.

(b) ELECTION TO PARTICIPATE.—In lieu of receiving a loan rate under section 122 with respect to production eligible for a loan under section 121, a producer may elect to participate in a flexible fallow program for any of the 2002 through 2011 crops under which annually—

(1) the producer determines which acres of the total planted acreage are assigned to a specific covered commodity;

(2) the producer determines—

(A) the projected percentage reduction rate of production of the specific covered commodity based on the acreage assigned to the covered commodity under paragraph (1); and

(B) the acreage of the total planted acreage of the producer to be set aside under subparagraph (A), regardless of whether the acreage is on the same farm as the acreage planted to the specific covered commodity;

(3) based on the projected percentage reduction rate of production as a result of the acreage set aside under paragraph (2), the producer receives the loan rate for each covered commodity produced by the producer, as determined under subsection (c); and

(4) the acreage planted to covered commodities for harvest and set aside under this section is limited to the total planted acreage of the producer.

(c) LOAN RATES UNDER PROGRAM.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), in the case of a producer of a covered commodity that elects to participate in the flexible fallow program under this section, the loan rate for a marketing assistance loan under section 121 for a crop of the covered commodity shall be based on the projected percentage reduction rate of production determined by the producer under subsection (b)(2), in accordance with the following table:

Projected Percentage Reduction Rate	Corn commodity Rate ($/bushel)	Wheat Loan Rate ($/bushel)	Soybean Loan Rate ($/bushel)	Upland Cotton Loan Rate ($/pound)	Rice Loan Rate ($/hundredweight)
0%	1.89	2.75	4.72	0.5192	6.50
1%	1.91	2.78	4.77	0.5268	6.60
2%	1.93	2.81	4.81	0.5344	6.70
3%	1.95	2.83	4.86	0.5420	6.80
4%	1.97	2.86	4.91	0.5496	6.90
5%	1.99	2.89	4.96	0.5572	7.00
6%	2.01	2.92	5.01	0.5648	7.10
7%	2.03	2.95	5.06	0.5724	7.20
8%	2.05	2.98	5.11	0.5800	7.30
9%	2.07	3.01	5.16	0.5876	7.40
10%	2.09	3.04	5.21	0.5952	7.50
11%	2.12	3.08	5.29	0.6028	7.60
12%	2.15	3.13	5.36	0.6104	7.70
13%	2.18	3.17	5.43	0.6180	7.80
14%	2.21	3.22	5.51	0.6256	7.90
15%	2.24	3.27	5.58	0.6332	8.00
16%	2.28	3.31	5.65	0.6408	8.10
17%	2.31	3.36	5.73	0.6484	8.20
18%	2.34	3.41	5.81	0.6560	8.30
19%	2.37	3.46	5.88	0.6636	8.40
20%	2.41	3.51	5.96	0.6712	8.50
21%	2.44	3.55	6.04	0.6788	8.60
22%	2.47	3.60	6.12	0.6864	8.70
23%	2.51	3.65	6.19	0.6940	8.80
24%	2.54	3.70	6.27	0.7016	8.90
25%	2.57	3.75	6.35	0.7092	9.00
26%	2.61	3.80	6.43	0.7168	9.10
27%	2.64	3.85	6.51	0.7244	9.20
28%	2.68	3.90	6.60	0.7320	9.30
29%	2.71	3.95	6.68	0.7396	9.40
30%	2.75	4.01	6.76	0.7472	9.50.

(2) COUNTY AVERAGE YIELDS.—

(A) IN GENERAL.—The loan rate for a marketing assistance loan made to a producer for a crop of a covered commodity under paragraph (1) shall apply with respect to the production of the crop of the covered commodity by the producer in a quantity that does not exceed the historical county average yield for the covered commodity established by the National Agricultural Statistics Service, adjusted for long-term yield trends.

(B) EXCESS PRODUCTION.—The loan rate for a marketing assistance loan made to a producer for a crop of a covered commodity under paragraph (1) with respect to the production of the crop of the covered commodity in excess of the historical county average yield for the covered commodity described in subparagraph (A) shall be equal to the loan rate established for a 0% projected percentage reduction rate for the covered commodity under paragraph (1).

(C) DISASTERS.—

(i) IN GENERAL.—If the production of a crop of a covered commodity by a producer is less than the historical county average yield for the covered commodity described in subparagraph (A) as a result of damaging weather, an insurable peril, or related condition, the producer may receive a payment on the lost production that shall equal the difference between—

(I) the maximum quantity of covered commodity that could have been designated for the loan rate authorized under this section for the producer; and

(II) the quantity of covered commodity the producer was able to produce and commercially market.

(ii) CALCULATION OF PAYMENT.—The payment described in clause (i) shall be equal to the loan deficiency payment the producer could have received on the lost production on any date, selected by the producer, on which a loan deficiency payment was available for that crop of the covered commodity.

(3) OTHER COVERED COMMODITIES.—In the case of a producer of a covered commodity not covered by paragraphs (1) and (2) that elects to participate in the flexible fallow program under this section, the loan rate for a marketing assistance loan under section 121 for the crop of the covered commodity shall be based on—

(A) in the case of grain sorghum, barley, and oats, such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn;

(B) in the case of extra long staple cotton, such level as the Secretary determines is fair and reasonable; and

(C) in the case of oilseeds other than soybeans, such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except that the rate for the oilseeds (other than cottonseed) shall not be less than the rate established for soybeans on a per-pound basis for the same crop.

(d) CONSERVATION USE OF SET-ASIDE ACREAGE.—To be eligible for a loan rate under this section, a producer shall devote all of the acreage set aside under this section to a conservation use approved by the Secretary and manage the set-aside acreage using management practices designed to enhance soil conservation and wildlife habitat. The Secretary shall prescribe the approved management practices for a county in consultation with the relevant State technical committee.

(1) LIMITED GRAZING.—The Secretary may permit limited grazing on the set-aside acreage when the grazing is incidental to the gleaning of crop residues on adjacent fields.

(e) CERTIFICATION.—To be eligible to participate in the flexible fallow program for any of the 2002 through 2011 crops, a producer shall certify to the Secretary (by farm serial number) the total planted acreage assigned, planted, and set aside with respect to each covered commodity.

H.R. 2646

OFFERED BY: MR. BEREUTER

AMENDMENT NO. 6: At the end of title IX, insert the following new section:

SEC. ___. AUTHORIZATION FOR ADDITIONAL STAFF AND FUNDING FOR THE GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION.

There are authorized to be appropriated such sums as are necessary to enhance the capability of the Grain Inspection, Packers and Stockyards Administration to monitor, investigate, and pursue the competitive implications of structural changes in the meat packing industry. Sums are specifically earmarked to hire litigating attorneys to allow the Grain Inspection, Packers and Stockyards Administration to more comprehensively and effectively pursue its enforcement activities.

H.R. 2646

OFFERED BY: MR. BEREUTER

AMENDMENT NO. 7: At the end of title V, insert the following:

SEC. ___. AUTHORITY TO MAKE BUSINESS AND INDUSTRY GUARANTEED LOANS FOR FARMER-OWNED PROJECTS THAT ADD VALUE TO OR PROCESS AGRICULTURAL PRODUCTS.

Section 310B(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(1)) is amended by inserting ''(and in areas other than rural communities, in the case of insured loans, if a majority of the project involved is owned by individuals who reside and have farming operations in rural communities, and the project adds value to or processes agricultural commodities)'' after ''rural communities''.

H.R. 2646

OFFERED BY: MR. BLUMENAUER

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 8: At the end of title IX (page 354, after line 16), insert the following new section:

SEC. 932. PROHIBITION ON INTERSTATE MOVEMENT OF ANIMALS FOR ANIMAL FIGHTING.

(a) PROHIBITION ON INTERSTATE MOVEMENT OF ANIMALS FOR ANIMAL FIGHTING.—Section 26(d) of the Animal Welfare Act (7 U.S.C. 2156(d)) is amended to read as follows:

''(d) ACTIVITIES NOT SUBJECT TO PROHIBITION.—This section does not apply to the selling, buying, transporting, or delivery of an animal in interstate or foreign commerce for any purpose, so long as the purpose does not include participation of the animal in an animal fighting venture.''.

(b) EFFECTIVE DATE.—The amendment made by this section take effect 30 days after the date of the enactment of this Act.

In the table of contents, after the item relating to section 931 (page 8, before line 1), insert the following new item:

Sec. 932. Prohibition on interstate movement of animals for animal fighting.

H.R. 2646

OFFERED BY: MR. BLUMENAUER

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 9: At the end of title IX (page 354, after line 16), insert the following new section:

SEC. 932. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting ''PENALTIES.—'' after ''(e)'';

(B) by striking ''$5,000'' and inserting ''$15,000''; and

(C) by striking ''1 year'' and inserting ''2 years''; and

(2) in subsection (g)(2)(B), by inserting at the end before the semicolon the following: ''or from any State into any foreign country''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

In the table of contents, after the item relating to section 931 (page 8, before line 1), insert the following new item:

Sec. 932. Penalties and foreign commerce provisions of the Animal Welfare Act.

H.R. 2646

OFFERED BY: MR. BOEHLERT

AMENDMENT NO. 10: Strike title II and insert the following:

TITLE II—CONSERVATION

Subtitle A—Farm and Ranch Preservation

SEC. 201. FARMLAND PROTECTION PROGRAM.

Section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is amended to read as follows:

''SEC. 388. FARMLAND PROTECTION PROGRAM.

''(a) ESTABLISHMENT AND PURPOSE.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall carry out a farmland protection program for the purpose of protecting farm and ranch lands with prime, unique, or other productive uses and agricultural lands that contain historic or archaeological resources, by limiting the nonagricultural uses of the lands. Under the program, the Secretary may provide matching grants to eligible entities described in subsection (d) to facilitate their purchase of—

''(1) permanent conservation easements in such lands; or

''(2) conservation easements or other interests in such lands when the lands are subject to a pending offer from a State or local government.

''(b) CONSERVATION PLAN.—Any highly erodible land for which a conservation easement or other interest is purchased using funds made available under this section shall be subject to the requirements of a conservation plan that requires, at the option of the Secretary of Agriculture, the conversion of the cropland to less intensive uses.

''(c) MAXIMUM FEDERAL SHARE.—The Federal share of the cost of purchasing a conservation easement under subsection (a)(1) may not exceed 50 percent of the total cost of purchasing the easement.

''(d) ELIGIBLE ENTITY DEFINED.—In this section, the term 'eligible entity' means any of the following:

''(1) An agency of a State or local government.

''(2) A federally recognized Indian tribe.

''(3) Any organization that is organized for, and at all times since its formation has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986 and—

''(A) is described in section 501(c)(3) of the Code;

''(B) is exempt from taxation under section 501(a) of the Code; and

''(C) is described in paragraph (2) of section 509(a) of the Code, or paragraph (3) of such section, but is controlled by an organization described in paragraph (2) of such section.

''(e) GRANT FACTORS.—Among the factors the Secretary shall consider in making grants under this section, the Secretary shall consider the extent to which States are encouraging or adopting measures to protect farmland and ranchland from conversion to non-agricultural uses.

''(f) TITLE; ENFORCEMENT.—An eligible entity may hold title to a conservation easement purchased using grant funds provided under subsection (a)(1) and enforce the conservation requirements of the easement.

''(g) STATE CERTIFICATION.—As a condition of the receipt by an eligible entity of a grant under subsection (a)(1), the attorney general of the State in which the conservation easement is to be purchased using the grant funds shall certify that the conservation easement to be purchased is in a form that is sufficient, under the laws of the State, to achieve the purposes of the farmland protection program and the terms and conditions of the grant.

''(h) FUNDING.—

''(1) USE OF COMMODITY CREDIT CORPORATION FUNDS.—The Secretary shall use not more than $100,000,000 in fiscal year 2002, $200,000,000 in fiscal year 2003, $350,000,000 in fiscal year 2004, $450,000,000 in fiscal year 2005, and $500,000,000 in each of fiscal years 2006 through 2011, of the funds of the Commodity Credit Corporation to carry out this section.

''(2) LIMITATION ON TECHNICAL ASSISTANCE.—To provide technical assistance to carry out this section, the Secretary may use not more than 10 percent of the amount made available for any fiscal year under paragraph (1).

''(i) GRANTS AND ASSISTANCE TO ENHANCE FARM VIABILITY.—For each year for which funds are available for the program under this section, the Secretary may use not more than $10,000,000 to provide matching market development grants and technical assistance to farm and ranch operators who participate in the program. As a condition of receiving such a grant, the grantee shall provide an amount equal to the grant from non-Federal sources.''.

SEC. 202. SOCIALLY DISADVANTAGED FARMERS.

Section 2501(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)(3)) is amended—

(1) by striking ''$10,000,000'' and inserting ''$15,000,000 from the Commodity Credit Corporation''; and

(2) by adding at the end the following: ''Any agency of the Department of Agriculture may participate jointly in any grant or contract entered in furtherance of the objectives of this section if it agreed that the objectives of the grant or contract will further the authorized programs of the contributing agency.''.

Subtitle B—Environmental Stewardship On Working Lands

SEC. 211. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) by striking ''to—'' and all that follows through ''provides'' and inserting ''to provide'';

(2) inserting ''air'' after ''that face the most serious threats to'';

(3) by redesignating the subparagraphs (A) through (D) that follow the matter amended by paragraph (2) of this section as paragraphs (1) through (4), respectively;

(4) by moving each of such redesignated provisions 2 ems to the left; and

(5) by striking ''farmers and ranchers'' each place it appears and inserting ''producers''.

SEC. 212. DEFINITIONS.

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended—

(1) in paragraph (1)—

(A) by inserting ''nonindustrial private forest land,'' before ''and other land''; and

(B) by striking all after ''poses a serious threat to'' and inserting ''air, soil, water, or related resources.''; and

(2) in paragraph (4), by inserting '', including nonindustrial private forestry'' before the period.

SEC. 213. ESTABLISHMENT AND ADMINISTRATION.

(a) REAUTHORIZATION.—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) INCENTIVE PAYMENTS.—Section 1240B of such Act (16 U.S.C. 3839aa–2) is amended by adding at the end the following:

''(h) WATERSHED QUALITY INCENTIVE PROGRAM.—

''(1) IN GENERAL.—The Secretary shall create a program to improve water quality in individual watersheds nationwide. Except as otherwise provided in this subsection, the program shall be administered in accordance with the terms of the Environmental Quality Incentives Program.

''(2) CONSISTENCY WITH WATERSHED PLAN.—In allocating funds under this subsection, the Secretary shall consider the extent to which an application for the funds is consistent with a locally developed watershed plan, in addition to the other factors established by section 1240C.

''(3) CONTRACTS.—The Secretary shall enter into contracts in accordance with this section with producers whose activities affect water quality, including the quality of public drinking water supplies, to implement and maintain nutrient management, pest management, soil erosion practices, and other conservation activities that protect water quality and protect human health. The contracts shall—

''(A) describe the nutrient management, pest management or soil loss practices to be implemented, maintained, or improved;

''(B) contain a schedule of implementation;

''(C) address water quality priorities of the watershed in which the operation is located to the greatest extent possible; and

''(D) contain such other terms as the Secretary determines to be appropriate.

''(4) VOLUNTARY WATER QUALITY BENEFITS EVALUATION.—On approval of the producer, the Secretary may include the cost of water quality benefits evaluation as part of a contract entered into under this section.

''(5) DRINKING WATER SUPPLIERS PILOT PROGRAM.—

''(A) IN GENERAL.—The Secretary shall establish a pilot program in 15 watersheds to improve water quality in cooperation with local water utilities.

''(B) PILOT PROGRAM.—The Secretary shall select the watersheds and make available funds to be allocated to producers in partnership with drinking water utilities in the watersheds, provided that drinking water utilities measure water quality and target incentives payments to improve water quality.

''(6) NUTRIENT REDUCTION PILOT PROGRAM.—The Secretary shall use up to $100,000,000 annually of the funds provided under this subsection in 5 impaired watersheds each year to provide incentives for agricultural producers to reduce nitrogen and phosphorous applications by at least 15 percent below the average rates used by comparable farms in the State. Incentive payments shall reflect the extent to which producers reduce nitrogen and phosphorous applications.

''(7) RECOGNITION OF STATE EFFORTS.—The Secretary shall recognize the financial contribution of States, among other factors, during the allocation of funding under this subsection.''.

(c) NON-FEDERAL ASSISTANCE.—Section 1240B(g) of such Act (16 U.S.C. 3839aa–2(g)) is amended—

(1) by inserting ''drinking water utility'' after ''forestry agency,''; and

(2) by inserting '', cost-share payments, and incentives'' after ''technical assistance''.

SEC. 214. EVALUATION OF OFFERS AND PAYMENTS.

Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa–3) is amended to read as follows:

''SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

''The Secretary shall establish a ranking process and benefits index to prioritize technical assistance, cost-share payments, and incentives payments to producers to maximize soil and water quality and wildlife habitat and other environmental benefits per dollar expended. The ranking process shall be weighted to ensure that technical assistance, cost-share payments, and incentives are provided to small or socially-disadvantaged farmers (as defined in section 8(a)(5) of the Small Business Act). The Secretary shall consult with local, State, and Federal public and private entities to develop the ranking process and benefits index.''.

SEC. 215. LIMITATION ON PAYMENTS.

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''$10,000'' and inserting ''$30,000''; and

(B) in paragraph (2), by striking ''$50,000'' and inserting ''$150,000'';

(2) in subsection (b)—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) to share the cost of digesters.''; and

(3) by striking subsection (c).

SEC. 216. REAUTHORIZATION OF FUNDING.

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 217. FUNDING.

Section 1241(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(1)) is amended—

(1) by striking ''$130,000,000'' and all that follows through ''2002'' and inserting ''$200,000,000 for fiscal year 2001, $1,000,000,000 in fiscal years 2002 and 2003, and $1,000,000,000 for each of fiscal years 2004 through 2011'';

(2) by inserting ''(other than under section 1240B(h))'' before the period; and

(3) by adding at the end the following: ''In addition, the Secretary shall make available for the program under section 1240B(h), $450,000,000 for fiscal years 2002 and 2003, $500,000,000 for fiscal year 2004, $650,000,000 for fiscal year 2005, and $700,000,000 for each of fiscal years 2006 through 2011, to provide incentive payments to producers who implement watershed quality incentive contracts.''.

SEC. 218. ALLOCATION FOR LIVESTOCK AND OTHER CONSERVATION PRIORITIES.

(a) IN GENERAL.—Section 1241(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(2)) is amended—

(1) by striking ''2002'' and inserting ''2011''; and

(2) by inserting ''(other than under section 1240B(h))'' before ''shall''.

(b) AGRICULTURAL SUSTAINABILITY.—Section 1241(b) of such Act (16 U.S.C. 3841(b)) is amended by adding at the end the following:

''(3) TARGETING OF PRACTICES TO PROMOTE AGRICULTURAL SUSTAINABILITY.—

''(A) To the maximum extent practicable, the Secretary shall attempt to dedicate at least 10 percent of the funding in this subsection to each of the following practices to promote agricultural sustainability:

''(i) Managed grazing.

''(ii) Innovative manure management.

''(iii) Surface and groundwater conservation through improved irrigation efficiency and other practices.

''(iv) Pesticide and herbicide reduction, including practices that reduce direct human exposure.

''(B) DEFINITIONS.—In subparagraph (A):

''(i) MANAGED GRAZING.—The term 'managed grazing' means practices which frequently rotate animals on grazing lands to enhance plant health, limit soil erosion, protect ground and surface water quality, or benefit wildlife.

''(ii) INNOVATIVE MANURE MANAGEMENT.—The term 'innovative manure management' means manure management technologies which—

''(I) eliminate the discharge of animal waste to surface and groundwaters through direct discharge, seepage, and runoff;

''(II) substantially eliminate atmospheric emissions of ammonia;

''(III) substantially eliminate the emission of odor;

''(IV) substantially eliminate the release of disease-transmitting vectors and pathogens;

''(V) substantially eliminate nutrient heavy metal contamination; or

''(VI) encourage reprocessing and cost-effective transportation of animal waste.

''(ii) IMPROVED IRRIGATION EFFICIENCY.—The term 'improved irrigation efficiency' means the use of new or upgraded irrigation systems that conserve water, including the use of—

''(I) spray jets or nozzles which improve water distribution efficiency;

''(II) irrigation well meters;

''(III) surge valves and surge irrigation systems; and

''(IV) conversion of equipment from gravity or flood irrigation to sprinkler or drip irrigation, including center pivot systems.''.

Subtitle C—Preservation of Wildlife Habitat

SEC. 221. WILDLIFE HABITAT INCENTIVES PROGRAM.

(a) EXTENSION AND FUNDING INCREASE.—Section 387(c) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended to read as follows:

''(c) FUNDING.—To carry out this section, there shall be made available $200,000,000 for fiscal years 2002 and 2003, $350,000,000 for fiscal year 2004, $450,000,000 for fiscal year 2005, $500,000,000 for each of the fiscal years 2006 through fiscal year 2009, $400,000,000 for fiscal year 2010, and $200,000,000 for fiscal year 2011.''.

(b) ADDITIONAL INCENTIVES FOR WILDLIFE CONSERVATION.—Section 387(b) of such Act (16 U.S.C. 3836(b)) is amended by inserting '', or for other costs relating to wildlife conservation,'' before ''approved by the Secretary''.

(c) PROGRAM MODIFICATIONS.—Section 387 of such Act (16 U.S.C. 3836a) is amended by adding at the end the following:

''(d) INCENTIVE PAYMENTS.—The Secretary may provide incentive payments to landowners in exchange for the implementation of land management practices designed to create or preserve wildlife habitat. The payments may be in an amount and at a rate determined by the Secretary to be necessary to encourage a landowner to engage in the practice.

''(e) FUNDING PRIORITY.—The Secretary shall give priority to landowners whose lands contain important habitat for imperiled species or habitat identified by State conservation plans, where available.

''(f) CONSULTATION.—To the extent practicable, the Secretary shall consult with local, State, Federal and private experts, as considered appropriate by the Secretary, to ensure that projects under this section maximize conservation benefits and are regionally equitable.

''(g) ACQUISITION OF EASEMENTS.—Beginning with fiscal year 2003, not more than 10 percent of the funds available shall be used to acquire permanent easements, provided that land enrolled in an easement is not land taken out of agricultural production''.

SEC. 222. WETLANDS RESERVE PROGRAM.

(a) ENROLLMENT AUTHORITY.—Section 1237(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3837(b)(1)) is amended to read as follows:

''(1) ENROLLMENT.—The Secretary shall enroll in the wetlands reserve program a total of not less than 250,000 acres in fiscal years 2002 and 2003, and not less than 250,000 acres in each of fiscal years 2004 through 2011.''.

(b) REGIONAL EQUITY.—Section 1237 of such Act (16 U.S.C. 3837) is amended by adding at the end the following:

''(h) Not later than 60 days after the date of the enactment of this sentence, the Secretary shall devise a plan to promote wetlands conservation in all regions where opportunities exist for wetlands restoration.''.

SEC. 223. CONSERVATION RESERVE PROGRAM.

(a) ENROLLMENT AUTHORITY.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) in subsection (a)—

(A) by striking ''2002'' and inserting ''2011''; and

(B) by striking ''and water'' and inserting '', water, and wildlife'';

(2) in subsection (d)—

(A) by striking ''36,400,000'' and inserting ''45,000,000''; and

(B) by striking ''2002'' and inserting ''2011''; and

(3) in subsection (h)(1), by striking ''and 2002'' and inserting ''through 2011''.

(b) ELIGIBILITY.—Section 1231(b) of such Act (16 U.S.C. 3831(b)) is amended—

(1) by striking paragraph (3) and inserting the following:

''(3) pasture, hay, and rangeland if the land will be restored as a wetland, or is within 300 feet of a riparian area and will be restored in native vegetation; and''; and

(2) in paragraph (4)—

(A) by striking subparagraph (A) and inserting the following:

''(A) if the Secretary determines that—

''(i) the lands contribute to the degradation of soil, water, or air quality, or would pose an on-site or off-site environmental threat to soil, water, or air quality if permitted to remain in agricultural production; and

''(ii) soil, water, and air quality objectives with respect to the land cannot be achieved under the environmental quality incentives program established under chapter 4;'';

(B) by striking ''or'' at the end of subparagraph (C);

(C) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(D) by adding at the end the following:

''(E) if the Secretary determines that enrollment of the lands would contribute to conservation of ground or surface water.

For purposes of the program under this subchapter, buffer strips on lands used for the production of fruits, vegetables, sod, orchards, or specialty crops shall be considered cropland.''.

(c) ENVIRONMENTALLY SENSITIVE LANDS AND BUFFER STRIPS.—Section 1231(d) of such Act (16 U.S.C. 3831(d)) is amended by adding at the end the following: ''Until December 31, 2007, of the acreage authorized for enrollment, not less than 7,000,000 acres shall be used to enroll environmentally sensitive lands through the continuous enrollment program and the conservation reserve enhancement program.''.

(d) LIMITED PERMANENT EASEMENT AUTHORITY.—Section 1231(e) of such Act (16 U.S.C.

3831(e)) is amended by adding at the end the following:

''(3) PERMANENT EASEMENTS.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Secretary may enroll up to 3,000,000 acres in the conservation reserve using permanent easements to protect critically important environmentally sensitive lands (including 1,000,000 acres for isolated wetlands) and habitats such as native prairies, native shrublands, small wetlands, springs, seeps, fens, and other rare and declining habitats. The terms of the easement shall be consistent with section 1232(a).

''(B) LIMITATIONS ON TRANSFERABILITY.—The Secretary may transfer a permanent easement established under subparagraph (A) to a State or local government or a qualified nonprofit conservation organization. The holder of such a permanent easement may not transfer the easement to an entity other than a State or local government or a qualified nonprofit conservation organization.''.

(e) CONTINUOUS ENROLLMENT OF BUFFER STRIPS.—Section 1231 of such Act (16 U.S.C. 3831) is amended by adding at the end the following:

''(i) CONTINUOUS ENROLLMENT OF BUFFER STRIPS.—The Secretary shall allow continuous enrollment of buffers whose width and vegetation is designed to provide significant wildlife or water quality benefits, as determined by the Secretary.

''(j) IRRIGATED LANDS.—Irrigated lands shall be enrolled at irrigated land rates unless the Secretary determines that other compensation is appropriate.

''(k) EXCEPTION TO PAYMENT LIMITATION.—Payments made in connection with the enrollment of lands pursuant to the continuous enrollment or the conservation reserve enhancement program shall not be subject to any payment limitations under section 1239c(f)(1).

''(l) LIMITED EXCEPTIONS TO PROHIBITIONS ON ECONOMIC USES.—Notwithstanding the prohibitions on economic use on lands enrolled in the Conservation Reserve Program under section 1232(a), the Secretary may permit on such lands the collection of native seeds and the use of wind turbines, so long as such activities preserve the conservation values of the land and take into account wildlife and wildlife habitat.''.

SEC. 224. CONSERVATION OF PRIVATE GRAZING LANDS.

Section 386 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b) is amended by striking subsection (f) and inserting the following:

''(f) INCENTIVE PAYMENTS.—The Secretary may enter into 5-year, 10-year and 20-year contracts with landowners to provide financial assistance for landowner efforts to improve the ecological health of grazing lands, including practices that reduce erosion, employ prescribed burns, restore riparian area, control or eliminate exotic species, reestablish native grasses, or otherwise enhance wildlife habitat.

''(g) AUTHORIZATION OF FUNDING.—The Secretary shall make available $20,000,000 for each of the fiscal years 2002 through 2011 from the Commodity Credit Corporation to carry out this section.''.

SEC. 225. GRASSLAND RESERVE AND ENHANCEMENT PROGRAM.

Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3837f) is amended by adding at the end the following:

''Subchapter D—Grassland Reserve and Enhancement Program

''SEC. 1238. GRASSLAND RESERVE AND ENHANCEMENT PROGRAM.

''(a) ESTABLISHMENT.—The Secretary shall establish a program to use contracts and easements to protect 3,000,000 acres of environmentally critical grasslands, shrubs, and blufflands. Beginning in fiscal year 2002, the Secretary shall conduct outreach to inform the public of the program.

''(b) ENROLLMENT CONDITIONS.—

''(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the program shall not exceed 3,000,000 acres. The Secretary shall enroll lands using permanent easements to meet demand, but in no case shall more than 50 percent of the available acreage be enrolled in permanent easements, and the balance shall be enrolled in contracts through which the Secretary shall provide assistance and incentive payments.

''(2) TERMS OF CONTRACTS OR EASEMENTS.—The Secretary shall enroll in the program for a willing owner not less than 100 contiguous acres of land west of the 100th meridian or not less than 50 contiguous acres of land east of the 90th meridian through 10-year or 20-year contracts or permanent easements.

''(c) ELIGIBLE LAND.—Land shall be eligible to be enrolled in the program if the Secretary determines that—

''(1) the land is natural grass or shrubland;

''(2) the land—

''(A) is located in an area that has been historically dominated by natural grass or shrubland; and

''(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grass or shrubland; or

''(3) the land is adjacent to land described in paragraph (1) or (2), and the Secretary determines it is necessary to maintain or restore native grassland or shrubland under this section.

''(d) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there shall be available for each of fiscal years 2002 through 2011 such sums as may be necessary from the funds of the Commodity Credit Corporation.

''SEC. 1238A. CONTRACTS AND AGREEMENTS.

''(a) REQUIREMENTS OF LANDOWNER.—To be eligible to enroll land in the program, the owner of the land shall—

''(1) agree to comply with the terms of the contract and related restoration agreements; and

''(2) agree to the suspension of any existing cropland base and allotment history for the land under any program administered by the Secretary.

''(b) TERMS OF CONTRACT OR EASEMENT.—A contract or easement under subsection (a) shall—

''(1) permit—

''(A) common grazing practices on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;

''(B) haying, mowing, or haying for seed production, except that such uses shall not be permitted until after the end of the nesting and brood-rearing season for birds in the local area which are in significant decline or are conserved pursuant to State or Federal law, as determined by the Natural Resources Conservation Service State conservationist;

''(C) construction of fire breaks and fences, including placement of the posts necessary for fences; and

''(D) practices that reduce erosion, restore native species, control and eradicate exotic species, enhance habitat for native wildlife, and improve the health of riparian areas;

''(2) prohibit—

''(A) forestry and the production of any agricultural commodity (other than hay);

''(B) unless allowed under subsection (d), the conduct of any other activity that would disturb the surface of the land covered by the contract or easement; and

''(C) the development of homes, businesses or other structures on land subject to the contract or easement; and

''(3) include such additional provisions as the Secretary determines are appropriate to carry out or facilitate the administration of this subchapter.

''(c) RANKING APPLICATIONS.—

''(1) ESTABLISHMENT OF CRITERIA.—The Secretary shall establish criteria to evaluate and rank applications for contracts under this subchapter.

''(2) EMPHASIS.—In establishing the criteria, the Secretary shall emphasize support for native grass and shrubland, grazing operations, and plant and animal biodiversity.

''(d) RESTORATION AGREEMENTS.—The Secretary shall prescribe the terms by which grassland that is subject to a contract under the program shall be restored. The agreement shall include duties of the land owner and the Secretary, including the Federal share of restoration payments and technical assistance.

''(e) VIOLATIONS.—On the violation of the terms or conditions of a contract or restoration agreement entered into under this section—

''(1) the contract shall remain in force; and

''(2) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

''SEC. 1238B. DUTIES OF SECRETARY.

''(a) IN GENERAL.—In return for the granting of a contract by an owner under this subchapter, the Secretary shall make contract payments and payments of the Federal share of restoration and provide technical assistance to the owner in accordance with this section. The Secretary shall base the amount paid for an easement on the fair market value of the easement.

''(b) FEDERAL SHARE OF RESTORATION.—The Secretary shall make payments to the owner of not more than—

''(1) in the case of virgin (never cultivated) grassland, 90 percent of the costs of carrying out measures and practices necessary to restore grassland functions and values; or

''(2) in the case of restored grassland, 75 percent of such costs.

''(c) TECHNICAL ASSISTANCE.—A landowner who is receiving a benefit under this subchapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this subchapter.

''(d) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.''.

Subtitle D—Organic Farming

SEC. 231. PROGRAM TO ASSIST TRANSITION TO ORGANIC FARMING.

(a) ASSISTANCE AUTHORIZED.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall expand the National Organic Program to include a voluntary program to assist agricultural producers in making the transition from conventional to organic farming and to assist existing organic farmers. Under the program, the Secretary may make payments to cover all or a portion of—

(1) production and marketing losses;

(2) conservation practices related to organic food production;

(3) certification costs;

(4) technical assistance by qualified third parties;

(5) educational materials; or

(6) farm-to-consumer market development.

(b) LIMITATION ON EXPENDITURES.—Payments to individual farm and ranch operators under this section shall not exceed $10,000 per year, and such payments shall not be made to individuals operating a conventional farm or ranch in more than 3 fiscal years.

(c) ORGANIC CERTIFICATION REIMBURSEMENT PROGRAM.—The Secretary shall reimburse producers for the cost of organic certification. To expedite certification, farmers seeking certification shall be eligible for a direct reimbursement of up to $500 by the Secretary of certification costs, so long as producers present an organic certificate and receipt.

(d) FUNDING.—Of the funds of the Commodity Credit Corporation, there shall be available to the Secretary to carry out this section $20,000,000 for fiscal years 2002 and 2003, $40,000,000 for fiscal year 2004, $40,000,000 for fiscal year 2005, $50,000,000 for fiscal year 2006, $50,000,000 for fiscal year 2007, $50,000,000 for fiscal year 2008, and $0 for fiscal years 2009 through 2011.

Subtitle E—Forestry

SEC. 241. URBAN AND COMMUNITY FORESTRY.

Section 9(i) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105(i)) is amended to read as follows:

''(i) FUNDING.—The Secretary shall use $50,000,000 of the funds of the Commodity Credit Corporation to carry out this section for each of the fiscal years 2002 through 2011. In addition, there are authorized to be appropriated to the Secretary not more than $50,000,000 to carry out this section for each of the fiscal years 2002 through 2011. As determined by the Secretary, socially disadvantaged foresters shall be eligible for funding under this section.''.

SEC. 242. WATERSHED FORESTRY INITIATIVE.

(a) ESTABLISHMENT.—The Secretary shall establish a program for the purpose of providing financial assistance to enhance the quality of municipal water supplies and to encourage the long-term sustainability of private forestland.

(b) EASEMENTS.—The Secretary shall annually use $75,000,000 from the Commodity Credit Corporation to be matched equally by any non-Federal source for each of the fiscal years 2002 through 2011 to acquire permanent easements that promote watershed protection. The Secretary shall establish a system to fairly compensate landowners for the value of an easement entered into under this section.

(c) LAND-USE PRACTICES.—The Secretary shall annually use $25,000,000 from the Commodity Credit Corporation for each of the fiscal years 2002 through 2011 to share equally with any non-Federal source the cost of land management practices on nonindustrial forestland that protect municipal drinking water supplies and other conservation purposes. The Secretary shall consider, among other factors, the extent to which projects are identified in a regional or watershed conservation plan. Practices that are eligible for funding under this section include the following:

(1) Natural forest regeneration.

(2) Prescribed burns.

(3) Native species restoration.

(4) Stream and watershed restoration.

(5) Road retirement.

(6) Riparian restoration.

(7) Other practices that improve water quality and wildlife habitat, as determined by the Secretary.

(d) REGIONAL AND WATERSHED PLANNING.—The Secretary shall establish a program to make grants not exceeding $10,000 to develop and implement regional and watershed-based conservation plans to comply with existing laws and meeting water quality standards. The Secretary shall consider, among other factors, the extent to which applicants develop interjurisdictional conservation plans, protect nationally significant resources, engage the public, and demonstrate local support. The Secretary shall use not more than $10,000,000 from the Commodity Credit Corporation for each of the fiscal years 2002 through 2011 to carry out this subsection.

Subtitle F—Technical Assistance

SEC. 251. CONSERVATION TECHNICAL ASSISTANCE.

(a) Section 6 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590f) is amended—

(1) by striking the 1st undesignated paragraph and inserting the following:

''(a) The Secretary shall make available $200,000,000 each fiscal year from the Commodity Credit Corporation, and such additional sums as may be appropriated by the Congress, to carry out this Act.''; and

(2) by desginating the 2nd undesignated paragraph as subsection (b).

(b) Section 7 of such Act (16 U.S.C. 590g) is amended by striking ''and (7)'' and inserting ''(7) any of the purposes of agricultural conservation programs authorized by Congress, and (8)''.

SEC. 252. REIMBURSEMENT FOR PROGRAM ADMINISTRATION.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841–3843) is amended—

(1) by inserting ''(1)'' before the first unnumbered paragraph;

(2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (B);

(3) by moving the newly designated subparagraphs (A) through (B) three ems to the right;

(4) by adding at the end the following:

''(2) For each of fiscal years 1996 through 2011, the Secretary shall use the funds of the Commodity Credit Corporation for the provision of technical assistance to allow for full reimbursement of actual costs for delivering all conservation programs funded through the Commodity Credit Corporation for which technical assistance is required.''.

SEC. 253. CONSERVATION TECHNICAL ASSISTANCE BY THIRD PARTIES.

Section 1243(d) of the Food Security Act of 1985 (16 U.S.C. 3843(d)) is amended—

(1) by striking ''In the preparation'' and inserting the following:

''(1) IN GENERAL.—In the preparation''; and

(2) by adding at the end the following:

''(2) ESTABLISHMENT OF TRAINING CENTERS.—To facilitate the training and certification of Federal and non-Federal employees and qualified third parties, the Secretary may establish training centers in the following locations:

''(A) Fresno, California.

''(B) Platteville, Wisconsin.

''(C) Lincoln, Nebraska.

''(D) Ithaca, New York.

''(E) Pullman, Washington.

''(F) Orono, Maine.

''(G) Gainesville, Florida.

''(H) College Park, Maryland.

''(3) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

''(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Agriculture shall, by regulation, establish a system for approving persons to provide technical assistance pursuant to this title. In the system, the Secretary shall give priority to a person who has a memorandum of understanding regarding the provision of technical assistance in place with the Secretary.

''(B) EXPERTISE REQUIRED.—In prescribing such regulations, the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering, including commercial entities, qualified nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of such technical assistance.

''(C) QUALIFIED NONPROFIT ORGANIZATIONS.—Qualified nonprofit organizations shall include organizations whose missions primarily promote the stewardship of working farmland and ranchland.

''(4) QUALITY ASSURANCE PROGRAM.—The Secretary shall establish a program to assess the quality of the technical assistance provided by third parties.''.

SEC. 254. CONSERVATION PRACTICE STANDARDS.

The Secretary of Agriculture shall—

(1) revise standards and, when necessary, establish standards for eligible conservation practices to include measurable goals for enhancing natural resources, including innovative practices;

(2) within 6 months after the date of the enactment of this section, revise the National Handbook of Conservation Practices and field office technical guides; and

(3) not less frequently than once every 5 years, update the Handbook and technical guides to reflect the best available science.

Subtitle G—Miscellaneous Conservation Provisions

SEC. 261. CONSERVATION PROGRAM PERFORMANCE REVIEW AND EVALUATION.

(a) IN GENERAL.—The Secretary shall establish a grant program to evaluate the benefits of the conservation programs under title XII of the Food Security Act of 1985 and under sections 242 and 262 of this Act.

(b) GRANTS.—The Secretary shall make grants to land grant colleges and other research institutions whose applications are highly ranked under subsection (c) to evaluate the economic and environmental benefits of conservation programs, and shall use such research to identify and rank measures needs to improve water quality, fish and wildlife habitat, and other environmental goals of conservation programs.

(c) SCIENTIFIC PANELS.—The Secretary shall establish a panel of independent scientific experts to review and rank the grant applications submitted under subsection (a).

(d) FUNDING.—The Secretary shall use $10,000,000 from the Commodity Credit Corporation for each of fiscal years 2002 through 2011 to carry out this section.

SEC. 262. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.

(a) IN GENERAL.—The Secretary of Agriculture, in consultation with the Great Lakes Commission created by Article IV of the Great Lakes Basin Compact (82 Stat. 415) and in cooperation other appropriate Federal agencies may carry out the Great Lakes Basin Program for Soil Erosion and Sediment Control.

(b) ASSISTANCE.—In carrying out the Program, the Secretary shall—

(1) provide project demonstration grants, provide technical assistance, and carry out information and education programs to improve water quality in the Great Lakes Basin by reducing soil erosion and improving sediment control; and

(2) provide a priority for projects and activities that directly reduce soil erosion or improve sediment control.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2003 through 2011.

(2) ADMINISTRATIVE COSTS.—

(A) COMMISSION.—The Great Lakes Commission may use not more than 10 percent of the funds made available for a fiscal year under paragraph (1) to pay administrative costs incurred by the Commission in carrying out this section.

(B) SECRETARY.—None of the funds made available under paragraph (1) may be used by the Secretary to pay administrative costs incurred by the Secretary in carrying out this section.

Subtitle H—Conservation Corridor Program

SEC. 271. CONSERVATION CORRIDOR PROGRAM.

(a) PURPOSE.—The purpose of this subtitle is to provide for the establishment of a program that recognizes the leveraged benefit of an ecosystem-based application of the Department of Agriculture conservation programs, addresses the increasing and extraordinary threats to agriculture in many areas of the United States, and recognizes the importance of local and regional involvement in the protection of economically and ecologically important farmlands.

(b) ESTABLISHMENT.—The Secretary of Agriculture (in this subtitle referred to as the ''Secretary'') shall establish a Conservation Corridor Program through which States, local governments, tribes, and combinations of States may submit, and the Secretary may approve, plans to integrate agriculture and forestry conservation programs of the United States Department of Agriculture with State, local, tribal, and private efforts to address farm preservation, water quality, wildlife, and other conservation needs in critical areas, watersheds, and corridors in a manner that enhances the conservation benefits of the individual programs, tailors programs to State and local needs, and promotes and supports ecosystem and watershed-based conservation.

(c) MEMORANDUM OF AGREEMENT.—On approval of a proposed plan, the Secretary may enter into a memorandum of agreement with a State, a combination of States, local governments, or tribes, that—

(1) guarantees specific program resources for implementation of the plan;

(2) establishes different or automatic enrollment criteria than otherwise established by regulation or policy, for specific levels of enrollments of specific conservation programs within the region, if doing so will achieve greater conservation benefits;

(3) establishes different compensation rates to the extent the parties to the agreement consider justified;

(4) establishes different conservation practice criteria if doing so will achieve greater conservation benefits;

(5) provides more streamlined and integrated paperwork requirements; and

(6) otherwise alters any other requirement established by United States Department of Agriculture policy and regulation to the extent not inconsistent with the statutory requirements and purposes of an individual conservation program.

SEC. 272. CONSERVATION ENHANCEMENT PLAN.

(a) PREPARATION.—To be eligible to participate in the program under this subtitle, a State, combination of States, political subdivision or agency of a State, tribe, or local government shall submit to the Secretary a plan that proposes specific criteria and commitment of resources in the geographic region designated, and describes how the linkage of Federal, State, and local resources will—

(1) improve the economic viability of agriculture by protecting contiguous tracts of land;

(2) improve the ecological integrity of the ecosystems or watersheds within the region by linking land with high ecological and natural resource value; and

(3) in the case of a multi-State plan, provide a draft memorandum of agreement among entities in each State.

(b) SUBMISSION AND REVIEW.—Within 90 days after receipt of the conservation plan, the Secretary shall review the plan and approve it for implementation and funding under this subtitle if the Secretary determines that the plan and memorandum of agreement meet the criteria specified in subsection (c).

(c) CRITERIA FOR PARTICIPATION.—The Secretary may approve a plan only if, as determined by the Secretary, the plan provides for each of the following:

(1) Actions taken under the conservation plan are voluntary and require the consent of willing landowners.

(2) Criteria specified in the plan and memorandum of agreement assure that enrollments in each conservation program incorporated through the plan are of exceptionally high conservation value.

(3) The program provides benefits greater than the benefits that would likely be achieved through individual application of the federal conservation programs because of such factors as—

(A) ecosystem- or watershed-based enrollment criteria;

(B) lengthier or permanent conservation commitments;

(C) integrated treatment of special natural resource problems, including preservation and enhancement of natural resource corridors; and

(D) improved economic viability for agriculture.

(4) Staffing and marketing, considering both Federal and non-Federal resources, are sufficient to assure program success.

(d) APPROVAL AND IMPLEMENTATION.—Within 90 days after approval of a conservation plan, the Secretary shall begin to provide funds for the implementation of the plan.

(e) PRIORITY.—In carrying out this section, the Secretary shall give priority to multi-State or multi-tribal plans.

SEC. 273. FUNDING REQUIREMENTS.

(a) COST-SHARING.—As a further condition on the approval of a conservation plan submitted by a non-Federal interest under section 272, the Secretary shall require the non-Federal interest to contribute at least 20 percent of the total cost of the Conservation Corridor Program.

(b) EXCEPTION.—The Secretary may reduce the cost-share requirement in the case of a specific activity under the Conservation Corridor Program on good cause and demonstration that the project or activity is likely to achieve extraordinary natural resource benefits.

(c) COORDINATION.—The Secretary shall require that non-Federal interests contributing financial resources for the Conservation Corridor Program shall implement streamlined paperwork requirements and other procedures to allow for integration with the Federal programs for participants in the program.

(d) RESERVATION OF FUNDS.—The Secretary shall direct funds on a priority basis to the Conservation Corridor Program and to projects in areas identified by the plan.

(e) ADMINISTRATION.—A State may submit multiple plans, but the Secretary shall assure opportunity for submission by each State. Acreage committed as part of approved Conservation Reserve Enhancement Programs shall be considered acreage of the Conservation Reserve Program committed to a Conservation Enhancement Program.

Subtitle I—Funding Source and Allocations

SEC. 281. FUNDING FOR CONSERVATION FUNDING.

(a) REDUCTION IN FIXED DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.—Notwithstanding sections 104 and 105, the Secretary of Agriculture (in this subtitle referred to as the ''Secretary'') shall reduce by $1,900,000,000 the total amount otherwise required to be paid under such sections in each of fiscal years 2002 through 2011, in accordance with this section.

(b) MAXIMUM TOTAL PAYMENTS BY TYPE AND FISCAL YEAR.—In making the reductions required by subsection (a), the Secretary shall ensure that—

(1) the total amount paid under section 104 does not exceed—

(A) $3,425,000,000 in fiscal year 2002; or

(B) $4,325,000,000 in any of fiscal years 2003 through 2011; and

(2) the total amount paid under section 105 does not exceed—

(A) $3,332,000,000 in fiscal year 2003;
(B) $4,494,000,000 in fiscal year 2004;
(C) $4,148,000,000 in fiscal year 2005;
(D) $3,974,000,000 in fiscal year 2006;
(E) $3,701,000,000 in fiscal year 2007;
(F) $3,222,000,000 in fiscal year 2008;
(G) $2,596,000,000 in fiscal year 2009;
(H) $2,057,000,000 in fiscal year 2010; or
(I) $1,675,000,000 in fiscal year 2011.

(c) LIMITATIONS TO PROTECT SMALLER FARMERS, PRESERVE TRADE AGREEMENTS, AND ENSURE PROGRAM AND REGIONAL BALANCE.—In making the reductions required by subsection (a), the Secretary shall—

(1) accomplish all of the reductions required with respect to a fiscal year by making pro rata reductions in the amounts otherwise payable under sections 104 and 105 to the 10 percent (or, if necessary, such greater percentage as the Secretary may determine) of recipients who would otherwise receive the greatest total payments under such sections in the fiscal year; and

(2) to the maximum extent practicable, ensure that—

(A) the resulting payments under such sections pose the least amount of risk to the United States of violating trade agreements to reduce subsidies; and

(B) the reductions are made in a manner that achieves balance among programs and regions.

SEC. 282. ALLOCATION OF CONSERVATION FUNDS BY STATE.

(a) STATE ALLOCATION.—To the maximum extent practicable in each of fiscal years 2002 through 2011, the Secretary, subject to the rules of the conservation programs administered by the Secretary, shall ensure that each State receives at a minimum the State's share of the $1,900,000,000 based on the State's share of the total agricultural market value of production, with each State receiving not less than 0.52 percent and not more than 7 percent of such amount annually.

(b) TRANSITION AND UNOBLIGATED BALANCES.—If the offices of the United States Department of Agriculture in each respective State cannot expend all funds allocated in this title within 2 consecutive fiscal years for the programs identified in this title, the funds shall be remitted to the Secretary for reallocation as the Secretary deems appropriate among States to address unmet conservation needs through the programs in this title, except that in no event shall these unobligated balances be used to fund technical assistance.

(c) REGIONAL EQUITY.—Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended by adding at the end the following:

''(d) REGIONAL EQUITY.—In carrying out the ECARP, the Secretary shall recognize the importance of regional equity, and the importance of accomplishing many conservation objectives that can sometimes only be achieved on land of high value.''.

Subtitle J—Rural Development

SEC. 291. EXPANSION OF STATE MARKETING PROGRAMS.

(a) FEDERAL-STATE MARKET INCENTIVE PAYMENTS.—Section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623) is amended by striking ''such sums as he may deem appropriate'' and inserting ''$10,000,000 from the Commodity Credit Corporation for each of the fiscal years 2002 through 2011''.

(b) MARKET DEVELOPMENT GRANTS.—Section 203(e)(1) of such Act (7 U.S.C. 1622(e)(1)) is amended by adding at the end the following: ''The Secretary shall transfer to State departments of agriculture and other State marketing offices at least 10 percent of the funds appropriated for a fiscal year for this subsection to facilitate the development of local and regional markets for agricultural products, including direct farm-to-consumer markets.''.

Amend the table of contents accordingly.

H.R. 2646

OFFERED BY: MRS. BONO

[Page and line numbers refer to the amendment in the nature of a substitute]

AMENDMENT NO. 11: At the end of title IX (page 354, after line 16), insert the following new section:

SEC. ___. COUNTRY OF ORIGIN LABELING OF PERISHABLE AGRICULTURAL COMMODITIES.

(a) ESTABLISHMENT OF LABELING REQUIREMENT.—The Perishable Agricultural Commodities Act, 1930, is amended by inserting after section 17 (7 U.S.C. 499q) the following new section:

''SEC. 18. COUNTRY OF ORIGIN LABELING OF PERISHABLE AGRICULTURAL COMMODITIES.

''(a) NOTICE OF COUNTRY OF ORIGIN REQUIRED.—Except as provided in subsection (b), a retailer of a perishable agricultural commodity shall inform consumers, at the final point of sale of the perishable agricultural commodity to consumers, of the country of origin of the perishable agricultural commodity. This requirement shall apply to imported and domestically produced perishable agricultural commodities.

''(b) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—

''(1) EXEMPTION.—Subsection (a) shall not apply to a perishable agricultural commodity to the extent that the perishable agricultural commodity is—

''(A) prepared or served in a food service establishment; and

''(B) offered for sale or sold at the food service establishment in normal retail quantities or served to consumers at the food service establishment.

''(2) DEFINITION.—In this subsection, the term 'food service establishment' means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility, which is operated as an enterprise engaged in the business of selling foods to the public.

''(c) METHOD OF NOTIFICATION.—

''(1) IN GENERAL.—The information required by subsection (a) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the perishable agricultural commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers.

''(2) LABELED COMMODITIES.—If a perishable agricultural commodity is already individually labeled regarding country of origin by a packer, importer, or another person, the retailer shall not be required to provide any additional information to comply with this section.

''(d) VIOLATIONS.—If a retailer fails to indicate the country of origin of a perishable agricultural commodity as required by subsection (a), the Secretary of Agriculture may assess a civil penalty on the retailer in an amount not to exceed—

''(1) $1,000 for the first day on which the violation occurs; and

''(2) $250 for each day on which the same violation continues.

''(e) DEPOSIT OF FUNDS.—Amounts collected under subsection (d) shall be deposited in the Treasury of the United States as miscellaneous receipts.''.

(b) APPLICATION OF AMENDMENT.—Section 18 of the Perishable Agricultural Commodities Act, 1930, as added by subsection (a), shall apply with respect to a perishable agricultural commodity offered for retail sale after the end of the six-month period beginning on the date of the enactment of this Act.

H.R. 2646

OFFERED BY: MR. BOSWELL

AMENDMENT NO. 12: At the end of title IX, insert the following new section:

SEC. ___. RENEWABLE ENERGY RESERVE.

(a) PURPOSES.—It is the purpose of this section to create a reserve of agricultural commodities to—

(1) provide feedstocks to support and further the production of the renewable energy; and

(2) support the renewable energy industry in times when production is at risk of decline due to reduced feedstock supplies or significant commodity price increases.

(b) ESTABLISHMENT.—During fiscal years 2002 through 2011, the Secretary shall establish and administer a government-owned and farmer-stored renewable energy reserve program under which producers of agricultural commodities will be able to—

(1) sell agricultural commodities authorized by the Secretary into the reserve; and

(2) store such agricultural commodities.

(c) NAME.—The agricultural commodity reserve established under this section shall be known as the ''Renewable Energy Reserve''.

(d) PURCHASES.—The Secretary shall purchase agricultural commodities at commercial rates in order to establish, maintain, or enhance the reserve when—

(1) such commodities are in abundant supply; and

(2) there is need for adequate carryover stocks to ensure a reliable supply of the commodities to meet the purposes of the reserve or it is otherwise necessary to fulfill the needs and purposes of the renewable energy program administered or assisted by the Secretary.

(e) LIMITATION.—Purchases under this section shall be limited to—

(1) the type and quantities of agricultural commodities necessary to provide approximately four-month's estimated utilization for renewable energy purposes;

(2) an additional amount of commodities to provide incentives for research and development of new renewable fuels and bio-energy initiatives; and

(3) such maximum quantities of agricultural commodities determined by the Secretary as will enable the purposes of the renewable energy program to be achieved.

(f) RELEASE OF STOCKS.—Stocks shall be released at cost of acquisition, and in amounts determined appropriate by the Secretary, when market prices of the agricultural commodity exceed 100 percent of the full economic cost of production of those commodities. Cost of production for the commodity shall be determined by the Economic Research Service using the best available information, and based on a three year moving average.

(g) STORAGE PAYMENTS.—The Secretary shall provide storage payments to producers of agricultural commodities to maintain the reserve established under this section. Storage payments shall—

(1) be in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program;

(2) reflect local, commercial storage rates subject to appropriate conditions concerning quality management and other factors; and

(3) not be less than comparable local commercial rates, except as may be provided by paragraph (2).

(h) COMMODITY CREDIT CORPORATION.—

(1) IN GENERAL.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to fulfill the purposes of this section. To the maximum extent practicable consistent with the purposes, and effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities and arrangement of trade and commerce.

(2) FUNDING OFFSET.—The Secretary shall reduce expenditures under title I as necessary to offset all expenditures to be made by the Secretary under this section.

H.R. 2646

OFFERED BY: MR. BOSWELL

AMENDMENT NO. 13: At the end of title IX, insert the following new section:

SEC. ___. RENEWABLE ENERGY RESERVE.

(a) PURPOSES.—It is the purpose of this section to create a reserve of agricultural commodities to—

(1) provide feedstocks to support and further the production of the renewable energy; and

(2) support the renewable energy industry in times when production is at risk of decline due to reduced feedstock supplies or significant commodity price increases.

(b) ESTABLISHMENT.—During fiscal years 2002 through 2011, the Secretary shall establish and administer a government-owned and farmer-stored renewable energy reserve program under which producers of agricultural commodities will be able to—

(1) sell agricultural commodities authorized by the Secretary into the reserve; and

(2) store such agricultural commodities.

(c) NAME.—The agricultural commodity reserve established under this section shall be known as the ''Renewable Energy Reserve''.

(d) PURCHASES.—The Secretary shall purchase agricultural commodities at commercial rates in order to establish, maintain, or enhance the reserve when—

(1) such commodities are in abundant supply; and

(2) there is need for adequate carryover stocks to ensure a reliable supply of the commodities to meet the purposes of the reserve or it is otherwise necessary to fulfill the needs and purposes of the renewable energy program administered or assisted by the Secretary.

(e) LIMITATION.—Purchases under this section shall be limited to—

(1) the type and quantities of agricultural commodities necessary to provide approximately four-month's estimated utilization for renewable energy purposes;

(2) an additional amount of commodities to provide incentives for research and development of new renewable fuels and bio-energy initiatives; and

(3) such maximum quantities of agricultural commodities determined by the Secretary as will enable the purposes of the renewable energy program to be achieved.

(f) RELEASE OF STOCKS.—Stocks shall be released at cost of acquisition, and in amounts determined appropriate by the Secretary,

when market prices of the agricultural commodity exceed 100 percent of the full economic cost of production of those commodities. Cost of production for the commodity shall be determined by the Economic Research Service using the best available information, and based on a three year moving average.

(g) STORAGE PAYMENTS.—The Secretary shall provide storage payments to producers of agricultural commodities to maintain the reserve established under this section. Storage payments shall—

(1) be in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program;

(2) reflect local, commercial storage rates subject to appropriate conditions concerning quality management and other factors; and

(3) not be less than comparable local commercial rates, except as may be provided by paragraph (2).

(h) COMMODITY CREDIT CORPORATION.—

(1) IN GENERAL.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to fulfill the purposes of this section. To the maximum extent practicable consistent with the purposes, and effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities and arrangement of trade and commerce.

(2) REDUCTION IN FIXED, DECOUPLED PAYMENTS FOR FUNDING OFFSET.—Notwithstanding section 104, the Secretary shall reduce the total amount payable under such section as fixed, decoupled payments, on a pro rata basis across covered commodities, so that the total amount of such reductions equals $277,000,000 in fiscal year 2004, $93,000,000 in fiscal year 2005, $80,000,000 in fiscal year 2006, $88,000,000 in fiscal year 2007, $96,000,000 in fiscal year 2008, $95,000,000 in fiscal year 2009, $96,000,000 in fiscal year 2010, and $97,000,000 in fiscal year 2011.

H.R. 2646

OFFERED BY: MR. BOSWELL

AMENDMENT NO. 14: At the end of title IX, insert the following new section:

SEC. ___. RENEWABLE ENERGY RESERVE.

(a) PURPOSES.—It is the purpose of this section to create a reserve of agricultural commodities to—

(1) provide feedstocks to support and further the production of the renewable energy; and

(2) support the renewable energy industry in times when production is at risk of decline due to reduced feedstock supplies or significant commodity price increases.

(b) ESTABLISHMENT.—The Secretary shall establish and administer a government-owned and farmer-stored renewable energy reserve program under which producers of agricultural commodities will be able to—

(1) sell agricultural commodities authorized by the Secretary into the reserve; and

(2) store such agricultural commodities.

(c) NAME.—The agricultural commodity reserve established under this section shall be known as the ''Renewable Energy Reserve''.

(d) PURCHASES.—The Secretary shall purchase agricultural commodities at commercial rates in order to establish, maintain, or enhance the reserve when—

(1) such commodities are in abundant supply; and

(2) there is need for adequate carryover stocks to ensure a reliable supply of the commodities to meet the purposes of the reserve or it is otherwise necessary to fulfill the needs and purposes of the renewable energy program administered or assisted by the Secretary.

(e) LIMITATION.—Purchases under this section shall be limited to—

(1) the type and quantities of agricultural commodities necessary to provide approximately four-month's estimated utilization for renewable energy purposes;

(2) an additional amount of commodities to provide incentives for research and development of new renewable fuels and bio-energy initiatives; and

(3) such maximum quantities of agricultural commodities determined by the Secretary as will enable the purposes of the renewable energy program to be achieved.

(f) RELEASE OF STOCKS.—Stocks shall be released at cost of acquisition, and in amounts determined appropriate by the Secretary, when market prices of the agricultural commodity exceed 100 percent of the full economic cost of production of those commodities. Cost of production for the commodity shall be determined by the Economic Research Service using the best available information, and based on a three year moving average.

(g) STORAGE PAYMENTS.—The Secretary shall provide storage payments to producers of agricultural commodities to maintain the reserve established under this section. Storage payments shall—

(1) be in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program;

(2) reflect local, commercial storage rates subject to appropriate conditions concerning quality management and other factors; and

(3) not be less than comparable local commercial rates, except as may be provided by paragraph (2).

(h) COMMODITY CREDIT CORPORATION.—

(1) IN GENERAL.—In such amounts as are provided in advance in appropriation Acts, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to fulfill the purposes of this section. To the maximum extent practicable consistent with the purposes, and effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities and arrangement of trade and commerce.

(2) FUNDING OFFSET.—The Secretary shall reduce expenditures under title I as necessary to offset the expenditures to be made by the Secretary under this section.

H.R. 2646

OFFERED BY: MRS. CLAYTON

AMENDMENT NO. 15: At the end of the bill add the following:

TITLE X—USE OF AMOUNTS PROVIDED FOR FIXED, DECOUPLED PAYMENTS TO PROVIDE NECESSARY FUNDS FOR RURAL DEVELOPMENT PROGRAMS.

SEC. 1001. USE OF AMOUNTS PROVIDED FOR FIXED, DECOUPLED PAYMENTS TO PROVIDE NECESSARY FUNDS FOR RURAL DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—Notwithstanding section 104 of this Act, in each of fiscal years 2002 through 2011, the Secretary of Agriculture shall—

(1) reduce the total amount payable under section 104 of this Act, on a pro rata basis, so that the total amount of such reductions equals $100,000,000; and

(2) expend—

(A) $45,000,000 for grants under 306A of the Consolidated Farm and Rural Development Act (relating to the community water assistance grant program);

(B) $45,000,000 for grants under 613 of this Act (relating to the pilot program for development and implementation of startegic regional development plans); and

(C) $10,000,000 for grants under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (relating to value-added agricultural product market development grants).

(b) RELATED AMENDMENTS.—Section 613 of this Act is amended—

(1) in subsection (a)(1), by striking ''select 10 States'' and inserting '', on a competitive basis, select States'';

(2) in subsection (a)(3)(A), by inserting '', plus $^{2}/_{13}$ of the amounts made available by section 1001(a) of the Farm Security Act of 2001 for grants under this section,'' after ''Corporation''; and

(3) in subsection (b)(2)(A), insert '', plus $^{11}/_{13}$ of the amounts made available by section 1001(a) of the Farm Security Act of 2001 for grants under this section,'' after ''Corporation''.

H.R. 2646

OFFERED BY: MR. CONYERS

AMENDMENT NO. 16: In title V, strike section 517 and redesignate succeeding sections (and amend the table of contents) accordingly.

At the end of title IX, insert the following:

SEC. 9_____. TRANSPARENCY AND ACCOUNTABILITY FOR MINORITY AND DISADVANTAGED FARMERS.

(a) PURPOSE.—The purpose of this section is to ensure compilation and public disclosure of data critical to assessing and holding the Department of Agriculture accountable for the equitable participation of minority, limited resource, and women farmers and ranchers in programs of the Department.

(b) USE OF TARGET PARTICIPATION RATES IN ALL DEPARTMENT OF AGRICULTURE PROGRAMS FOR FARMERS AND RANCHERS.—

(1) ESTABLISHMENT.—For each county and State in the United States, the Secretary of Agriculture shall establish an annual target participation rate equal to the number of socially disadvantaged residents in the political subdivision in proportion to the total number of residents in the political subdivision. In this section, the term ''socially disadvantaged resident'' means a resident who is a member of a socially disadvantaged group (as defined in section 355(e)(1) of the Consolidated Farm and Rural Development Act).

(2) COMPARISON WITH ACTUAL PARTICIPATION RATES.—The Secretary shall compute annually the actual participation rates of socially disadvantaged and women farmers and ranchers as a percentage of the total participation of all farmers and ranchers, for each program of the Department of Agriculture in which a farmer or rancher may participate. In determining these rates, the Secretary shall consider the number of socially disadvantaged farmers and ranchers of each race or ethnicity, and the number of women participants in each county and State in proportion to the total number of participants in each program.

(c) COMPILATION OF ELECTION PARTICIPATION DATA, AND PUBLIC DISCLOSURE REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.—Effective 90 days after the date of the enactment of this section, section 8(a)(5)(B) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 509h(a)(5)(B)) is amended by adding at the end the following:

''(v)(I) The committee shall publicly announce at least 10 days in advance the date, time, and place where ballots will be opened and counted. No ballots may be opened until such time, and anyone may observe the opening and counting of ballots.

''(II) Within 20 days after the elections, the committee shall compile and report to the State and national offices the number of eligible voters in the county and in each open local administrative area or at large district, the number of ballots counted, the number and percentage of ballots disqualified, and the proportion of eligible voters compared to votes cast. The committee shall further compile, in each category above, the results aggregated by race, ethnicity, and gender, as

compared to total eligible voters and total votes. The committee shall also report as provided above, the number of nominees for each open seat and the election results, aggregated by race, ethnicity and gender, as well as the new composition of the county or area committee.

''(III) The Secretary shall, within 90 days after the election, compile a report which aggregates all data collected under subclause (II) and presents results at the national, regional, State, and local levels.

''(IV) The Secretary shall analyze the data compiled in subclauses (II) and (III) and within 1 year after the completion of the report referred to in subclause (III), shall prescribe (and open to public comment) uniform guidelines for conducting elections for members and alternates of county committees, including procedures to allow appointment as voting members of groups, or methods to assure fair representation of groups who would be demographically underrepresented in that county.''.

(d) REQUIREMENTS FOR ELECTRONIC, WEB, AND PRINTED DISCLOSURE OF DATA.—The Secretary shall compile the actual number of farmers and ranchers, classified by race or ethnicity and gender, for each county and State with national totals. The Secretary shall, for the current and each of the 4 preceding years, make available to the public on websites that the Department of Agriculture regularly maintains, and in electronic and paper form, the above information, as well as all data required under subsection (b) of this section and section 8(a)(5)(B)(v) of the Soil Conservation and Domestic Allotment Act, at the county, State, and national levels in a manner that allows comparisons among target and actual program and election participation rates, among and between agricultural programs, among and between demographically similar counties, and over time at the county, State and national levels.

(e) REPORT TO CONGRESS.—The Secretary shall maintain and make readily available to the public all data required under subsections (b) and (d) of this section and section 8(a)(5)(B)(v) of the Soil Conservation and Domestic Allotment Act collected annually since the most recent Census of Agriculture. After each Census of Agriculture, the Secretary shall report to Congress and the public the rate of loss or gain in participation by each group, by race, ethnicity, and gender, since the previous Census of Agriculture.

(f) ACCOUNTABILITY.—The Secretary may also use the above data, including comparisons with demographically similar counties and with national averages, to monitor and evaluate election and program participation rates and agricultural programs, and civil rights compliance, and in county committee employee and Department of Agriculture employee performance reviews, and in developing outreach and other strategies and recommendations to assure agriculture programs and services meet the needs of socially disadvantaged and women producers.

(g) CONFORMING AMENDMENT.—Section 355(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2005(c)(1)) is amended to read as follows:

''(1) ESTABLISHMENT.—In paragraph (2), the term 'target participation rate' means, with respect to a State, the target participation rate established for purposes of subtitle B of this title pursuant to section 9___(c)(1) of the Farm Security Act of 2001.''.

H.R. 2646

OFFERED BY: MR. DELAY

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 17: In section 183(a), strike paragraph (3) and the amendment made by such paragraph (page 131, lines 6 through 13), and insert the following:

(3) by inserting after paragraph (2) the following new paragraph (3):

''(3) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—

''(A) GENERAL RULE.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed the amount specified in paragraph (2), as in effect on the day before the date of the enactment of the Farm Security Act of 2001.

''(B) SPECIAL RULE.—This subparagraph shall apply only with regard to counter-cyclical payments attributable to rice contract acreage (as defined in section 102(3) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202(3))) in a State in which rice plantings on such contract acreage declined by more than 30 percent in the 2001 crop year in comparison to the 1995 crop year. Notwithstanding section 1001A(b)(3)(A), the total amount of counter-cyclical payments, on a per-acre basis, that a landowner who is not actively engaged (consistent with section 1001A(b)(2)) in the production of a covered commodity on such acreage may receive during any crop year shall not exceed an amount that is equal to the greater of—

''(i) the proportionate share of the payment that is commensurate to the proportion that the contribution of the land represents to the operation on such contract acres, as determined by the appropriate county committee; or

''(ii) the proportionate share of the payment that is commensurate with the share of the crop that the landowner would have received under a normal and customary share rent contract for the production of a covered commodity in the area, as determined by the county committee.''.

H.R. 2646

OFFERED BY: MR. DOOLEY OF CALIFORNIA

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 18: At the end of subtitle A of title I (page 29, after line 12), insert the following new section:

SEC. 111. ELIMINATION OF FUNDING FOR COUNTER CYCLICAL FARM PAYMENTS TO PROVIDE ADDITIONAL FUNDS FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

Notwithstanding any other provision of this subtitle, the Secretary of Agriculture shall not make counter-cyclical payments for covered commodities so that funds are available to provide nonrecourse marketing assistance loans under subtitle B for covered commodities with the following loan rate terms in lieu of the rates under section 122:

(1) For the 2002 crop year, the loan rate shall be set at 100 percent of simple three-year average market price for the 1996 through 1998 crop years.

(2) For each crop year thereafter through the 2011 crop year, the three-year average would be recalculated by dropping the first of the three years and by adding the next crop year in sequence.

In section 750, strike the subparagraph (C) being added by subsection (a) (page 306, lines 8 through 11), and insert the following new subparagraphs:

''(C) ADDITIONAL DEPOSIT.—For each of the fiscal years 2002 through 2011, the Secretary of Agriculture shall also deposit $100,000,000 of funds of the Commodity Credit Corporation into the Account. The amounts deposited under this subparagraph are in addition to the amounts deposited under subparagraph (A).

''(D) AVAILABILITY OF FUNDS.—Amounts deposited into the Account pursuant to subparagraphs (A) and (C) shall remain available until expended.''.

H.R. 2646

OFFERED BY: MR. DOOLEY OF CALIFORNIA

[page and line numbers refer to the amendment in the nature of a substitute, combes.011]

AMENDMENT NO. 19: At the end of title VII (page 321, after line 23), insert the following new subtitle:

Subtitle F—Funding Sources

SEC. 793. USE OF PORTION OF FUNDS FOR FIXED, DECOUPLED PAYMENTS TO INSTEAD FUND ADDITIONAL COMPETITIVE RESEARCH EFFORTS.

(a) AVAILABILITY OF FUNDS.—Notwithstanding section 104, for each of fiscal years 2002 through 2011, the Secretary of Agriculture shall use $100,000,000 of the funds that would otherwise be provided to producers in the form of fixed, decoupled payments for that fiscal year to make an additional deposit into the Initiative for Future Agriculture and Food Systems account.

(b) GRANTS.—

(1) IN GENERAL.—For each of fiscal years 2002 through 2011, the Secretary of Agriculture shall make grants under section 2(b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)) to the faculty of institutions eligible to receive grants under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, West Virginia State College, 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note)), and Hispanic-serving institutions (as defined in section 1404(9) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(9)).

(2) AMOUNT OF GRANTS.—The total amount of grants awarded under paragraph (1) for each fiscal year shall be not less than ten percent of the total amount deposited into the Initiative for Future Agriculture and Food Systems account during that fiscal year.

H.R. 2646

OFFERRED BY: MR. ENGLISH

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 20: At the end of subtitle B of title I (page 66, after line 3), insert the following new section:

SEC. . PRODUCER RETENTION OF ERRONEOUSLY PAID LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.

Notwithstanding any other provision of law, the Secretary of Agriculture and the Commodity Credit Corporation shall not require producers in Erie County, Pennsylvania, to repay loan deficiency payments and marketing loan gains erroneously paid or determined to have been earned by the Commodity Credit Corporation for certain 1998 and 1999 crops under subtitle C of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.). In the case of a producer who has already made the repayment on or before the date of the enactment of this Act, the Commodity Credit Corporation shall reimburse the producer for the full amount of the repayment.

H.R. 2646

OFFERRED BY: MR. ETHERIDGE

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 21: At the end of section 164 (page 113, after line 5), add the following new subsection:

(g) INCREASE IN TARGET PRICE.—

(1) INCREASE.—Notwithstanding subsection (c), the target price for peanuts shall be equal to $500 per ton rather than $480 per ton.

(2) CORRESPONDING REDUCTION.—To offset the increase in the target price for peanuts

under paragraph (1), the maximum number of acres that may be enrolled in the conservation reserve program is hereby reduced to 38,000,000 acres.

H.R. 2646

OFFERED BY: MR. ETHERIDGE

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 22: Page 181, line 8, insert ''(a) IN GENERAL.—'' before ''Section''.

Page 181, after line 15, insert the following:

(b) COMMODITY ELIGIBILITY.—Section 1302(b)(3) of the Agricultural Reconciliation Act of 1993 (7 U.S.C. 5623 note) is amended by inserting ''; other than leaf tobacco'' after ''tobacco''.

H.R. 2646

OFFERED BY: MR. GILCHREST

AMENDMENT NO. 23: At the end of title II, insert the following:

Subtitle H—Conservation Corridor Program

SEC. 271. CONSERVATION CORRIDOR PROGRAM.

(a) PURPOSE.—The purpose of this subtitle is to provide for the establishment of a program that recognizes the leveraged benefit of an ecosystem-based application of the Department of Agriculture conservation programs, addresses the increasing and extraordinary threats to agriculture in many areas of the United States, and recognizes the importance of local and regional involvement in the protection of economically and ecologically important farmlands.

(b) ESTABLISHMENT.—The Secretary of Agriculture (in this subtitle referred to as the ''Secretary'') shall establish a Conservation Corridor Program through which States, local governments, tribes, and combinations of States may submit, and the Secretary may approve, plans to integrate agriculture and forestry conservation programs of the United States Department of Agriculture with State, local, tribal, and private efforts to address farm preservation, water quality, wildlife, and other conservation needs in critical areas, watersheds, and corridors in a manner that enhances the conservation benefits of the individual programs, tailors programs to State and local needs, and promotes and supports ecosystem and watershed-based conservation.

(c) MEMORANDUM OF AGREEMENT.—On approval of a proposed plan, the Secretary may enter into a memorandum of agreement with a State, a combination of States, local governments, or tribes, that—

(1) guarantees specific program resources for implementation of the plan;

(2) establishes different or automatic enrollment criteria than otherwise established by regulation or policy, for specific levels of enrollments of specific conservation programs within the region, if doing so will achieve greater conservation benefits;

(3) establishes different compensation rates to the extent the parties to the agreement consider justified;

(4) establishes different conservation practice criteria if doing so will achieve greater conservation benefits;

(5) provides more streamlined and integrated paperwork requirements; and

(6) otherwise alters any other requirement established by United States Department of Agriculture policy and regulation to the extent not inconsistent with the statutory requirements and purposes of an individual conservation program.

SEC. 272. CONSERVATION ENHANCEMENT PLAN.

(a) PREPARATION.—To be eligible to participate in the program under this subtitle, a State, combination of States, political subdivision or agency of a State, tribe, or local government shall submit to the Secretary a plan that proposes specific criteria and commitment of resources in the geographic region designated, and describes how the linkage of Federal, State, and local resources will—

(1) improve the economic viability of agriculture by protecting contiguous tracts of land;

(2) improve the ecological integrity of the ecosystems or watersheds within the region by linking land with high ecological and natural resource value; and

(3) in the case of a multi-State plan, provide a draft memorandum of agreement among entities in each State.

(b) SUBMISSION AND REVIEW.—Within 90 days after receipt of the conservation plan, the Secretary shall review the plan and approve it for implementation and funding under this subtitle if the Secretary determines that the plan and memorandum of agreement meet the criteria specified in subsection (c).

(c) CRITERIA FOR PARTICIPATION.—The Secretary may approve a plan only if, as determined by the Secretary, the plan provides for each of the following:

(1) Actions taken under the conservation plan are voluntary and require the consent of willing landowners.

(2) Criteria specified in the plan and memorandum of agreement assure that enrollments in each conservation program incorporated through the plan are of exceptionally high conservation value.

(3) The program provides benefits greater than the benefits that would likely be achieved through individual application of the federal conservation programs because of such factors as—

(A) ecosystem- or watershed-based enrollment criteria;

(B) lengthier or permanent conservation commitments;

(C) integrated treatment of special natural resource problems, including preservation and enhancement of natural resource corridors; and

(D) improved economic viability for agriculture.

(4) Staffing and marketing, considering both Federal and non-Federal resources, are sufficient to assure program success.

(d) APPROVAL AND IMPLEMENTATION.—Within 90 days after approval of a conservation plan, the Secretary shall begin to provide funds for the implementation of the plan.

(e) PRIORITY.—In carrying out this section, the Secretary shall give priority to multi-State or multi-tribal plans.

SEC. 273. FUNDING REQUIREMENTS.

(a) COST-SHARING.—As a further condition on the approval of a conservation plan submitted by a non-Federal interest under section 272, the Secretary shall require the non-Federal interest to contribute at least 20 percent of the total cost of the Conservation Corridor Program.

(b) EXCEPTION.—The Secretary may reduce the cost-share requirement in the case of a specific activity under the Conservation Corridor Program on good cause and demonstration that the project or activity is likely to achieve extraordinary natural resource benefits.

(c) COORDINATION.—The Secretary shall require that non-Federal interests contributing financial resources for the Conservation Corridor Program shall implement streamlined paperwork requirements and other procedures to allow for integration with the Federal programs for participants in the program.

(d) RESERVATION OF FUNDS.—The Secretary shall direct funds on a priority basis to the Conservation Corridor Program and to projects in areas identified by the plan.

(e) ADMINISTRATION.—A State may submit multiple plans, but the Secretary shall assure opportunity for submission by each State. Acreage committed as part of approved Conservation Reserve Enhancement Programs shall be considered acreage of the Conservation Reserve Program committed to a Conservation Enhancement Program.

Amend the table of contents accordingly.

H.R. 2646

OFFERED BY: MR. GILCHREST

AMENDMENT NO.24: At the end of the bill, insert the following:

TITLE X—CONSERVATION CORRIDOR PROGRAM

SEC. 1001. CONSERVATION CORRIDOR PROGRAM.

(a) PURPOSE.—The purpose of this title is to provide for the establishment of a program that recognizes the leveraged benefit of an ecosystem-based application of the Department of Agriculture conservation programs, addresses the increasing and extraordinary threats to agriculture in many areas of the United States, and recognizes the importance of local and regional involvement in the protection of economically and ecologically important farmlands.

(b) ESTABLISHMENT.—The Secretary of Agriculture (in this title referred to as the ''Secretary'') shall establish a Conservation Corridor Program through which States, local governments, tribes, and combinations of States may submit, and the Secretary may approve, plans to integrate agriculture and forestry conservation programs of the United States Department of Agriculture with State, local, tribal, and private efforts to address farm preservation, water quality, wildlife, and other conservation needs in critical areas, watersheds, and corridors in a manner that enhances the conservation benefits of the individual programs, tailors programs to State and local needs, and promotes and supports ecosystem and watershed-based conservation.

(c) MEMORANDUM OF AGREEMENT.—On approval of a proposed plan, the Secretary may enter into a memorandum of agreement with a State, a combination of States, local governments, or tribes, that—

(1) guarantees specific program resources for implementation of the plan;

(2) establishes different or automatic enrollment criteria than otherwise established by regulation or policy, for specific levels of enrollments of specific conservation programs within the region, if doing so will achieve greater conservation benefits;

(3) establishes different compensation rates to the extent the parties to the agreement consider justified;

(4) establishes different conservation practice criteria if doing so will achieve greater conservation benefits;

(5) provides more streamlined and integrated paperwork requirements; and

(6) otherwise alters any other requirement established by United States Department of Agriculture policy and regulation to the extent not inconsistent with the statutory requirements and purposes of an individual conservation program.

SEC. 1002. CONSERVATION ENHANCEMENT PLAN.

(a) PREPARATION.—To be eligible to participate in the program under this title, a State, combination of States, political subdivision or agency of a State, tribe, or local government shall submit to the Secretary a plan that proposes specific criteria and commitment of resources in the geographic region designated, and describes how the linkage of Federal, State, and local resources will—

(1) improve the economic viability of agriculture by protecting contiguous tracts of land;

(2) improve the ecological integrity of the ecosystems or watersheds within the region by linking land with high ecological and natural resource value; and

(3) in the case of a multi-State plan, provide a draft memorandum of agreement among entities in each State.

(b) SUBMISSION AND REVIEW.—Within 90 days after receipt of the conservation plan, the Secretary shall review the plan and approve it for implementation and funding under this title if the Secretary determines that the plan and memorandum of agreement meet the criteria specified in subsection (c).

(c) CRITERIA FOR PARTICIPATION.—The Secretary may approve a plan only if, as determined by the Secretary, the plan provides for each of the following:

(1) Actions taken under the conservation plan are voluntary and require the consent of willing landowners.

(2) Criteria specified in the plan and memorandum of agreement assure that enrollments in each conservation program incorporated through the plan are of exceptionally high conservation value.

(3) The program provides benefits greater than the benefits that would likely be achieved through individual application of the federal conservation programs because of such factors as—

(A) ecosystem- or watershed-based enrollment criteria;

(B) lengthier or permanent conservation commitments;

(C) integrated treatment of special natural resource problems, including preservation and enhancement of natural resource corridors; and

(D) improved economic viability for agriculture.

(4) Staffing and marketing, considering both Federal and non-Federal resources, are sufficient to assure program success.

(d) APPROVAL AND IMPLEMENTATION.—Within 90 days after approval of a conservation plan, the Secretary shall begin to provide funds for the implementation of the plan.

(e) PRIORITY.—In carrying out this section, the Secretary shall give priority to multi-State or multi-tribal plans.

SEC. 1003. FUNDING REQUIREMENTS.

(a) COST-SHARING.—As a further condition on the approval of a conservation plan submitted by a non-Federal interest under section 1002, the Secretary shall require the non-Federal interest to contribute at least 20 percent of the total cost of the Conservation Corridor Program.

(b) EXCEPTION.—The Secretary may reduce the cost-share requirement in the case of a specific activity under the Conservation Corridor Program on good cause and demonstration that the project or activity is likely to achieve extraordinary natural resource benefits.

(c) COORDINATION.—The Secretary shall require that non-Federal interests contributing financial resources for the Conservation Corridor Program shall implement streamlined paperwork requirements and other procedures to allow for integration with the Federal programs for participants in the program.

(d) RESERVATION OF FUNDS.—The Secretary shall direct funds on a priority basis to the Conservation Corridor Program and to projects in areas identified by the plan.

(e) ADMINISTRATION.—A State may submit multiple plans, but the Secretary shall assure opportunity for submission by each State. Acreage committed as part of approved Conservation Reserve Enhancement Programs shall be considered acreage of the Conservation Reserve Program committed to a Conservation Enhancement Program.

Amend the table of contents accordingly.

H.R. 2646

OFFERED BY: MR. GILMAN

[Page and line numbers refer to the amendment in the nature of a substitute]

AMENDMENT NO. 25: Strike section 928 (page 351, beginning line 17), and insert the following new section:

SEC. 928. EQUAL TREATMENT OF POTATOES, SWEET POTATOES, AND STORAGE ONIONS.

Section 508(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(2)) is amended by striking ''and potatoes'' and inserting '', potatoes, sweet potatoes, and storage onions (as defined for purposes of this title)''.

H.R. 2646

OFFERED BY: MR. HALL OF OHIO

[Page and line numbers refer to the Amendment in the Nature of a Substitute (Combes.0110)]

AMENDMENT NO. 26: In section 307, insert after paragraph (7) (page 188, after line 22) the following (and conform the subsequent paragraphs accordingly):

(8) by striking section 206 (7 U.S.C. 1726);

In section 307, insert after paragraph (11) as redesignated (page 189, after line 21) the following (and conform the subsequent paragraphs accordingly):

(12) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking ''The Administrator'' and inserting ''(A) The Administrator''; and

(B) by adding at the end the following:

(B) In the case of commodities made available for nonemergency assistance under title II or III for countries in transition from crisis to development or for least developed, net food-importing countries, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.

H.R. 2646

OFFERED BY: MR. HALL OF OHIO

[Page and line numbers refer to the Amendment in the Nature of a Substitute (Combes.011)]

AMENDMENT NO. 27: In section 312, insert before subsection (a) (page 198, after line 6) the following (and conform the subsequent subsections accordingly and make such other technical and conforming changes as may be necessary):

(a) SHORT TITLE; FINDINGS; SENSE OF CONGRESS.—

(1) SHORT TITLE.—This section may be cited as the ''George McGovern–Robert Dole International Food for Education and Child Nutrition Program Act''.

(2) FINDINGS.—Congress finds the following:

(A) The Global Food for Education Initiative of the Department of Agriculture has worthy goals of feeding hungry children, promoting education, especially among girls, and assisting American farmers.

(B) The Initiative was inspired in a bipartisan fashion by former Senators George McGovern and Robert Dole and established by the Department of Agriculture under existing authority through the Commodity Credit Corporation.

(C) The new George McGovern-Robert Dole International Food for Education and Child Nutrition Program will be established under this section beginning on the date of the enactment of this Act.

(D) However, there is a possible gap between the termination of funding for the Global Food for Education Initiative and the commencement of appropriated funding for the George McGovern-Robert Dole International Food for Education and Child Nutrition Program established under this section.

(E) The General Accounting Office is completing a review of the Global Food for Education Initiative and will suggest recommendations for the continuation and improvement of the Program.

(3) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) the Secretary of Agriculture should continue to operate the Global Food for Education Initiative until such time as amounts are appropriated to carry out the George McGovern-Robert Dole International Food for Education and Child Nutrition Program established under this section; and

(B) the Secretary should implement recommendations for improvement of the Global Food for Education Initiative as contained in the review of the program by the General Accounting Office in a timely manner.

H.R. 2646

OFFERED BY: MR. HALL OF OHIO

[Page and line numbers refer to the Amendment in the Nature of a Substitute (Combes.011)]

AMENDMENT NO. 28: In section 307, insert after paragraph (7) (page 188, after line 22) the following (and conform the subsequent paragraphs accordingly):

(8) by striking section 206 (7 U.S.C. 1726);

In section 307, insert after paragraph (11) as redesignated (page 189, after line 21) the following (and conform the subsequent paragraphs accordingly):

(12) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking ''The Administrator'' and inserting ''(A) The Administrator''; and

(B) by adding at the end the following:

(B) In the case of commodities made available for nonemergency assistance under title II or III for countries in transition from crisis to development or for least developed, net food-importing countries, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.

In section 312, insert before subsection (a) (page 198, after line 6) the following (and conform the subsequent subsections accordingly and make such other technical and conforming changes as may be necessary):

(a) SHORT TITLE; FINDINGS; SENSE OF CONGRESS.—

(1) SHORT TITLE.—This section may be cited as the ''George McGovern–Robert Dole International Food for Education and Child Nutrition Program Act''.

(2) FINDINGS.—Congress finds the following:

(A) The Global Food for Education Initiative of the Department of Agriculture has worthy goals of feeding hungry children, promoting education, especially among girls, and assisting American farmers.

(B) The Initiative was inspired in a bipartisan fashion by former Senators George McGovern and Robert Dole and established by the Department of Agriculture under existing authority through the Commodity Credit Corporation.

(C) The new George McGovern-Robert Dole International Food for Education and Child Nutrition Program will be established under this section beginning on the date of the enactment of this Act.

(D) However, there is a possible gap between the termination of funding for the Global Food for Education Initiative and the commencement of appropriated funding for the George McGovern-Robert Dole International Food for Education and Child Nutrition Program established under this section.

(E) The General Accounting Office is completing a review of the Global Food for Education Initiative and will suggest recommendations for the continuation and improvement of the Program.

(3) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) the Secretary of Agriculture should continue to operate the Global Food for Education Initiative until such time as amounts are appropriated to carry out the George McGovern-Robert Dole International Food for Education and Child Nutrition Program established under this section; and

(B) the Secretary should implement recommendations for improvement of the Global Food for Education Initiative as contained in the review of the program by the General Accounting Office in a timely manner.

H.R. 2646

OFFERED BY: MR. HOLT

AMENDMENT NO. 29: At the end of title IX, insert the following new section:

SEC. ___. PROGRAM OF PUBLIC EDUCATION REGARDING USE OF BIOTECHNOLOGY IN PRODUCING FOOD FOR HUMAN CONSUMPTION.

(a) PUBLIC INFORMATION CAMPAIGN.—Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall develop and implement a program to communicate with the public regarding the use of biotechnology in producing food for human consumption. The information provided under the program shall include the following:

(1) Science-based evidence on the safety of foods produced with biotechnology.

(2) Scientific data on the human outcomes of the use of biotechnology to produce food for human consumption.

(b) AUTHORIZATION OF APPROPRIATIONS.—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this section.

H.R. 2646

OFFERED BY: MS. HOOLEY OF OREGON

AMENDMENT NO. 30: In section 925 (page ____, beginning line ____), insert ''(other than organically grown caneberries)'' after ''caneberries'' each place it appears.

H.R. 2646

OFFERED BY: MR. INSLEE

AMENDMENT NO. 31: At the end of the bill, add the following new title:

TITLE X—ADDITIONAL MISCELLANEOUS PROVISIONS

SEC. 1001. RENEWABLE ENERGY RESOURCES.

(a) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa), as amended by section 231 of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4); and

(3) by adding at the end the following:

''(5) assistance to farmers and ranchers for the assessment and development of their on-farm renewable resources, including biomass for the production of power and fuels, wind, and solar.''.

(b) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—The Secretary of Agriculture, through the Cooperative State Research, Education, and Extension Service and, to the extent practicable, in collaboration with the Natural Resources Conservation Service, regional biomass programs under the Department of Energy, and other appropriate entities, may provide education and technical assistance to farmers and ranchers for the development and marketing of renewable energy resources, including biomass for the production of power and fuels, wind, solar, and geothermal.

H.R. 2646

OFFERED BY: MS. EDDIE BERNICE JOHNSON OF TEXAS

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 32: At the end of Subtitle C of title VII (page 313, after line 10), insert the following new section:

SEC. ___. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR THE DEVELOPING WORLD.

(a) GRANT PROGRAM.—The Secretary of Agriculture shall establish a program to award grants to entities described in subsection (b) for the development of agricultural biotechnology with respect to the developing world. The Secretary shall administer and oversee the program through the Foreign Agricultural Service of the Department of Agriculture.

(b) PARTNERSHIPS.—(1) In order to be eligible to receive a grant under this section, the grantee must be a participating institution of higher education, a nonprofit organization, or consortium of for profit institutions with in-country agricultural research institutions.

(2) A participating institution of higher education shall be an historically black or land-grant college or university, an Hispanic serving institution, or a tribal college or university that has agriculture or the biosciences in its curricula.

(c) COMPETITIVE AWARD.—Grants shall be awarded under this section on a merit-reviewed competitive basis.

(d) USE OF FUNDS.—The activities for which the grant funds may be expended include the following:

(1) Enhancing the nutritional content of agricultural products that can be grown in the developing world to address malnutrition through biotechnology.

(2) Increasing the yield and safety of agricultural products that can be grown in the developing world through biotechnology.

(3) Increasing through biotechnology the yield of agricultural products that can be grown in the developing world that are drought and stress-resistant.

(4) Extending the growing range of crops that can be grown in the developing world through biotechnology.

(5) Enhancing the shelf-life of fruits and vegetables grown in the developing world through biotechnology.

(6) Developing environmentally sustainable agricultural products through biotechnology.

(7) Developing vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically engineered agricultural products.

(e) FUNDING SOURCE.—Of the funds deposited in the Treasury account known as the Initiative for Future Agriculture and Food Systems on October 1, 2003, and each October 1 thereafter through October 1, 2007, the Secretary of Agriculture shall use $5,000,000 during each of fiscal years 2004 through 2008 to carry out this section.

H.R. 2646

OFFERED BY: MS. EDDIE BERNICE JOHNSON OF TEXAS

[Page and line numbers refer to the Amendment in the Nature of a Substitute (Combes.011)]

AMENDMENT NO. 33: In section 441, add at the end (page 217, line 7) the following: ''Of the amount made available to carry out section 211(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) for each of the fiscal years 2002 through 2011, the Secretary of Agriculture shall make available $25,000,000 for the provision of commodities to child nutrition programs providing food service under section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e).

H.R. 2646

OFFERED BY: MS. KAPTUR

AMENDMENT NO. 34: Page ____, line ____, insert the following new section:

SEC. ___. FAMILY FARMER COOPERATIVE MARKETING.

(a) DEFINITIONS.—

(1) PRODUCER.—Subsection (b) of section 3 of the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2302) is amended—

(A) by inserting ''poultryman,'' after ''dairyman,''; and

(B) by adding at the end the following: ''The term includes a person furnishing labor, production management, facilities, or other services for the production of an agricultural product.''.

(2) ASSOCIATION OF PRODUCERS.—Subsection (c) of such section is amended by inserting ''that engages in the marketing of such agricultural products or of agricultural services described in the second sentence of subsection (b), including associations'' before ''engaged in''.

(3) ADDITIONAL DEFINITIONS.—Such section is further amended by striking subsection (e) and inserting the following new subsections:

''(e) The term 'accredited association' means an association of producers accredited by the Secretary of Agriculture in accordance with section 6.

''(f) The term 'designated handler' means a handler that is designated pursuant to section 6.

''(g) The terms 'bargain' and 'bargaining' mean the performance of the mutual obligation of a handler and an accredited association to meet at reasonable times and for reasonable periods of time for the purpose of negotiating in good faith with respect to the price, terms of sale, compensation for products produced or services rendered under contract, or other provisions relating to the products marketed, or the services rendered, by the members of the accredited association or by the accredited association as agent for the members.''.

(b) PROHIBITED PRACTICES.—Section 4 of the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2303) is amended—

(1) in the matter preceding the subsections, by striking ''the following practices;'' and inserting ''any of the following practices:''

(2) in subsection (a), by inserting ''interfere with, restrain, or'' before ''coerce'';

(3) by striking ''or'' at the end of subsections (a), (b), (c), (d), and (e) and inserting a period; and

(4) by adding at the end the following new subsections:

''(g) To refuse to bargain in good faith with an accredited association, if the handler is designated pursuant to section 6.

''(h) To dominate or interfere with the formation or administration of any association of producers or to contribute financial or other support to an association of producers.''.

(c) BARGAINING IN GOOD FAITH.—Section 5 of the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2304) is amended to read as follows:

''SEC. 5. BARGAINING IN GOOD FAITH.

''(a) CLARIFICATION OF OBLIGATION.—The obligation of a designated handler to bargain in good faith shall apply with respect to an accredited association and the products or services for which the accredited association is accredited to bargain. The good-faith bargaining required between a handler and an accredited association does not require either party to agree to a proposal or to make a concession.

''(b) EXTENSION OF SAME TERMS TO ACCREDITED ASSOCIATION.—If a designated handler purchases a product or service from producers under terms more favorable to such

producers than the terms negotiated with an accredited association for the same type of product or services, the handler shall offer the same terms to the accredited association. Failure to extend the same terms to the accredited association shall be considered to be a violation of section 4(g). In comparing terms, the Secretary of Agriculture shall take into consideration (in addition to the stipulated purchase price) any bonuses, premiums, hauling or loading allowances, reimbursement of expenses, or payment for special services of any character which may be paid by the handler, and any sums paid or agreed to be paid by the handler for any other designated purpose than payment of the purchase price.

''(c) MEDIATION AND ARBITRATION.—The Secretary of Agriculture may provide mediation services with respect to bargaining between an accredited association and a designated handler at the request of either the accredited association or the handler. If an impasse in bargaining has occurred (as determined by the Secretary), the Secretary shall provide assistance in proposing and implementing arbitration agreements between the accredited association and the handler. The Secretary may establish a procedure for compulsory and binding arbitration if the Secretary finds that an impasse in bargaining exists and such impasse will result in a serious interruption in the flow of an agricultural product to consumers or will cause substantial economic hardship to producers or handlers involved in the bargaining.''.

(d) ACCREDITATION OF ASSOCIATIONS AND DESIGNATION OF HANDLERS.—The Agricultural Fair Practices Act of 1967 is amended—

(1) by redesignating sections 6 and 7 (7 U.S.C. 2305, 2306) as sections 9 and 11, respectively; and

(2) by inserting after section 5 (7 U.S.C. 2304) the following new section:

''SEC. 6. ACCREDITATION OF ASSOCIATIONS AND DESIGNATION OF HANDLERS.

''Not later than ____ after the date of the enactment of this section, the Secretary shall establish procedures—

''(1) to accredit associations seeking to bargain on behalf of producers on an agricultural product or service; and

''(2) for designation of handlers with whom producer associations seek to bargain.''.

(e) INVESTIGATIVE POWERS OF SECRETARY.—The Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.) is amended by inserting after section 6 (as added by subsection (d)(2)) the following new section:

''SEC. 7. INVESTIGATIVE POWERS OF SECRETARY.

''(a) INVESTIGATIVE POWERS.—The Secretary of Agriculture shall have the following powers to carry out the objectives of this Act, including the conduct of any investigations or hearings:

''(1) The Secretary may require any person to establish and maintain such records, make such reports, and provide such other information as the Secretary may reasonably require.

''(2) The Secretary and any officer or employee of the Department of Agriculture, upon presentation of credentials and a warrant or such other order of a court as may be required by the Constitution—

''(A) shall have a right of entry to, upon, or through any premises in which records required to be maintained under paragraph (1) are located, and

''(B) may at reasonable times have access to and copy any records, which any person is required to maintain or which relate to any matter under investigation or in question.

''(b) TREATMENT OF RECORDS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), any records, reports, or information obtained under this section shall be available to the public.

''(2) EXCEPTION.—Upon a showing satisfactory to the Secretary of Agriculture that records, reports, or information acquired under this section, if made public, would divulge confidential business information, the Secretary shall consider such record, report, or information or particular portion thereof confidential in accordance with section 1905 of title 18, United States Code, except that the Secretary may disclose such record, report, or information to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act or when relevant in any proceeding under this Act.

''(c) POWERS RELATED TO HEARINGS.—

''(1) ATTENDANCE OF WITNESSES.—In making inspections and investigations under this Act, the Secretary of Agriculture may require the attendance and testimony of witnesses and the production of evidence under oath.

''(2) SUBPOENA POWER.—The Secretary, upon application of any party to a hearing held under section 9, shall forthwith issue to such party subpoenas requiring the attendance and testimony of witnesses or the production of evidence requested in such application. Within five days after the service of a subpoena on any person requiring the production of any evidence in the possession of the person or under the control of the person, the person may petition the Secretary to revoke such subpoena. The Secretary shall revoke such subpoena if in the opinion of the Secretary the evidence whose production is required does not relate to any matter in question, or if such subpoena does not describe with sufficient particularity the evidence whose production is required.

''(3) OATHS AND OTHER MATTERS.—The Secretary, or any officer or employee of the Department of Agriculture designated for such purpose, shall have power to administer oaths, sign and issue subpoenas, examine witnesses, and receive evidence. Witnesses shall be paid the same fees and mileage allowance as are paid witnesses in the courts of the United States.

''(d) FAILURE TO COMPLY.—In the case of any failure or refusal of any person to obey a subpoena or order of the Secretary of Agriculture under this section, any district court of the United States, within the jurisdiction of which such person is found or resides or transacts business, upon the application by the Secretary shall have jurisdiction to issue to such person an order requiring such person to appear to produce evidence if, as, and when so ordered to give testimony relating to the matter under investigation or in question. Any failure to obey such order of the court may be punished by the court as a contempt of court.''.

(f) ADMINISTRATIVE PROCEEDINGS TO PREVENT PROHIBITED PRACTICES.—The Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.) is amended by inserting after section 7 (as added by subsection (e)) the following new section:

''SEC. 8. ADMINISTRATIVE PROCEEDINGS TO PREVENT PROHIBITED PRACTICES.

''(a) PETITION.—Any person complaining of any violation of section 4 or other provision of this Act may apply to the Secretary of Agriculture by petition, which shall briefly state the facts serving as the basis for the complaint. If, in the opinion of the Secretary, the facts contained in the petition warrant further action, the Secretary shall forward a copy of the petition to the accredited association or handler named in the petition, who shall be called upon to satisfy the complaint, or to answer it in writing, within a reasonable time to be prescribed by the Secretary.

''(b) INVESTIGATION AND COMPLAINT.—If there appears to be, in the opinion of the Secretary, reasonable grounds for investigating a complaint made under subsection (a), the Secretary of Agriculture shall investigate such complaint or notification. In the opinion of the Secretary, if the investigation substantiates the existence of a violation of section 4 or other provision of this Act, the Secretary may cause a complaint to be issued. The Secretary shall have the complaint served by registered mail or certified mail or otherwise on the person concerned and afford such person an opportunity for a hearing thereon before a duly authorized examiner of the Secretary in any place in which the subject of the complaint is engaged in business.

''(c) HEARING.—The person complained of shall have the right to file an answer to the original and any amended complaint and to appear in person or otherwise and give testimony. The person who filed the charge shall also have the right to appear in person or otherwise and give testimony. Any such proceeding shall, as far as practicable, be conducted in accordance with the rules of evidence and the rules of civil procedure applicable in the district courts of the United States.

''(d) ORDERS.—If, upon a preponderance of the evidence, the Secretary of Agriculture is of the opinion that the person subject to the complaint has violated section 4 or other provision of this Act, the Secretary shall issue an order containing the Secretary's findings of fact and requiring the person to cease and desist from such violation. The Secretary may order such further affirmative action, including an award of damages to compensate the person filing the petition for the damages sustained, as will effectuate the policies of this Act and make the person filing the petition whole.

''(e) COMPLAINTS INSTITUTED BY SECRETARY.—The Secretary of Agriculture may at any time institute an investigation under subsection (b) if there appears to be, in the opinion of the Secretary, reasonable grounds for the investigation and the matter to be investigated is such that a petition is authorized to be made to the Secretary. The Secretary shall have the same power and authority to proceed with any investigation instituted under this subsection as though a petition had been filed under subsection (a), including the power to make and enforce any order.

''(f) JUDICIAL REVIEW.—

''(1) OBTAINING REVIEW.—Any person aggrieved by a final order of the Secretary of Agriculture issued under subsection (d) may obtain review of such order in the United States Court of Appeals for the District of Columbia by submitting to such court within 30 days from the date of such order a written petition praying that such order be modified or set aside.

''(2) TREATMENT OF FINDINGS.—The findings of the Secretary with respect to questions of fact, if supported by substantial evidence on the record, shall be conclusive.

''(3) EFFECT OF FAILURE TO SEEK TIMELY REVIEW.—If no petition for review, as provided in paragraph (1), is filed within 30 days after service of the Secretary's order, the order shall not be subject to review in any civil or criminal proceeding for enforcement, and the findings of fact and order of the Secretary shall be conclusive in connection with any petition for enforcement which is filed by the Secretary after the expiration of such period. In any such case, the clerk of the court, unless otherwise ordered by the court, shall forthwith enter a decree enforcing the order and shall transmit a copy of such decree to the Secretary and the person named in the complaint.

''(4) EFFECT ON ORDERS OF THE SECRETARY.—The commencement of proceedings

under this section shall not operate as a stay of an order of the Secretary under subsection (d), unless specifically ordered by the court.''.

(g) PREEMPTION.—The Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.) is amended by inserting after section 9 (as redesignated by subsection (d)(1)) the following new section:

''SEC. 10. PREEMPTION.

''This Act shall not invalidate the provisions of any existing or future State law dealing with the same subjects as this Act, except that such State law may not permit any action that is prohibited by this Act. This Act shall not deprive the proper State courts of jurisdiction under State laws dealing with the same subjects as this Act.''.

H.R. 2646

OFFERED BY: MS. KAPTUR

AMENDMENT NO. 35: At the end of the bill, insert the following:

TITLE X—BIOFUELS ENERGY INDEPENDENCE ACT OF 2001

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Biofuels Energy Independence Act of 2001''.

SEC. 1002. FINDINGS.

The Congress finds as follows:

(1) Currently the United States annually consumes about 164,000,000,000 gallons of vehicle fuels and 5,600,00,000 gallons of heating oil. In 2000, 52.9 percent of these fuels were imported, yielding a $109,000,000,000 trade deficit with the rest of the world.

(2) This Act would shift America's dependence away from foreign petroleum as an energy source toward alternative, renewable, domestic agricultural sources.

(3) Strategic Petroleum Reserve policy should encourage domestic production to the greatest extent possible.

(4) 92.2 percent of the Strategic Petroleum Reserve has been purchased from foreign sources: 41.9 percent from Mexico, 24 percent from the United Kingdom, and over 20 percent from OPEC nations.

(5) Strategic Petroleum Reserve policy also should encourage the development of alternatives to the Nation's reliance on petroleum such as biomass fuels.

(6) The benefits of biofuels are as follows:

(A) ENERGY SECURITY.—

(i) With agricultural commodity prices reaching record lows and petroleum prices reaching record highs, it is clear that more can and should be done to utilize domestic surpluses of biobased oils to enhance the Nation's energy security.

(ii) Biofuels can be manufactured using existing industrial capacity.

(iii) Biofuels can be used with existing petroleum infrastructure and conventional equipment.

(iv) Biofuels can start to address our dependence on foreign energy sources immediately.

(B) ECONOMIC SECURITY.—

(i) With continued dependence upon imported sources of oil, our Nation is strategically vulnerable to disruptions in our oil supply.

(ii) Renewable biofuels domestically produced have the potential for ending this vulnerable dependence on imported oil.

(iii) Increased use of renewable biofuels would result in significant economic benefits to rural and urban areas and would help reduce the trade deficit.

(iv) According to the Department of Agriculture, a sustained annual market of 100,000,000 gallons of biodiesel would result in $170,000,000 in increased income to farmers.

(v) Farmer-owned biofuels production has already resulted in improved income for farmers, as evidenced by the experience with a State-supported program in Minnesota that has helped to increase prices to corn producers by $1.00 per bushel.

(C) ENVIRONMENTAL SECURITY.—

(i) The use of grain-based ethanol reduces greenhouse gas emissions from 35 to 46 percent compared with conventional gasoline. Biomass ethanol provides an even greater reduction.

(ii) The American Lung Association of Metropolitan Chicago credits ethanol-blended reformulated gasoline with reducing smog-forming emissions by 25 percent since 1990.

(iii) Ethanol reduces tailpipe carbon monoxide emissions by as much as 30 percent.

(iv) Ethanol reduces exhaust volatile organic compounds emissions by 12 percent.

(v) Ethanol reduces toxic emissions by 30 percent.

(vi) Ethanol reduces particulate emissions, especially fine-particulates that pose a health threat to children, senior citizens, and those with respiratory ailments.

(vii) Biodiesel contains no sulfur of aromatics associated with air pollution.

(viii) The use of biodiesel provides a 78.5 percent reduction in CO_2 emissions compared to petroleum diesel and when burned in a conventional engine provides a substantial reduction of unburned hydrocarbons, carbon monoxide, and particulate matter.

Subtitle A—Biofuels Feedstocks Energy Reserve Program

SEC. 1011. ESTABLISHMENT.

The Secretary of Agriculture (in this subtitle referred to as the ''Secretary'') may establish and administer a reserve of agricultural commodities (known as the ''Biofuels Feedstocks Energy Reserve'') for the purpose of—

(1) providing feedstocks to support and further the production of energy from biofuels; and

(2) supporting the biofuels energy industry when production is at risk of declining due to reduced feedstocks or significant commodity price increases.

SEC. 1012. PURCHASES.

(a) IN GENERAL.—The Secretary may purchase agricultural commodities at commercial rates, subject to subsection (b), in order to establish, maintain, or enhance the Biofuels Feedstocks Energy Reserve when—

(1)(A) the commodities are in abundant supply; and

(B) there is need for adequate carryover stocks to ensure a reliable supply of the commodities to meet the purposes of the reserve; or

(2) it is otherwise necessary to fulfill the needs and purposes of the biofuels energy reserve program.

(b) LIMITATION.—The agricultural commodities purchased for the Biofuels Feedstocks Energy Reserve shall be—

(1) of the type and quantity necessary to provide not less than 1-year's utilization for renewable energy purposes; and

(2) in such additional quantities to provide incentives for research and development of new renewable fuels and bio-energy initiatives.

SEC. 1013. RELEASE OF STOCKS.

Whenever the market price of a commodity held in the Biofuels Feedstocks Energy Reserve exceeds 100 percent of the economic cost of producing the commodity (as determined by the Economic Research Service using the best available information, and based on a 3-year moving average), the Secretary shall release stocks of the commodity from the reserve at cost of acquisition, in amounts determined appropriate by the Secretary.

SEC. 1014. STORAGE PAYMENTS.

(a) IN GENERAL.—The Secretary shall provide for the storage of agricultural commodities purchased for the Biofuels Feedstocks Energy Reserve by making payments to producers for the storage of the commodities. The payments shall—

(1) be in such amounts, under such conditions, and at such times as the Secretary determines appropriate to encourage producers to participate in the program; and

(2) reflect local, commercial storage rates, subject to appropriate conditions concerning quality management and other factors.

(b) ANNOUNCEMENT OF PROGRAM.—

(1) TIME OF ANNOUNCEMENT.—The Secretary shall announce the terms and conditions of the storage payments for a crop of a commodity by—

(A) in the case of wheat, December 15 of the year in which the crop of wheat was harvested;

(B) in the case of feed grains, March 15 of the year following the year in which the crop of corn was harvested; and

(C) in the case of other commodities, such dates as may be determined by the Secretary.

(2) CONTENT OF ANNOUNCEMENT.—In the announcement, the Secretary shall specify the maximum quantity of a commodity to be stored in the Biofuels Feedstocks Energy Reserve that the Secretary determines appropriate to promote the orderly marketing of the commodity, and to ensure an adequate supply for the production of biofuels.

(c) RECONCENTRATION.—The Secretary may, with the concurrence of the owner of a commodity stored under this program, reconcentrate the commodity stored in commercial warehouses at such points as the Secretary considers to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations that assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of the commodity covered by the producer's or warehouseman's commitment.

(d) MANAGEMENT.—Whenever a commodity is stored under this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of the commodity in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate the commodity that the Commodity Credit Corporation owns or controls. The purchases to offset sales shall be made within 2 market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions.

(e) REVIEW.—In announcing the terms and conditions under which storage payments will be made under this section, the Secretary shall review standards concerning the quality of a commodity to be stored in the Biofuels Feedstocks Energy Reserve, and such standards should encourage only quality commodities, as determined by the Secretary. The Secretary shall review inspection, maintenance, and stock rotation requirements and take the necessary steps to maintain the quality of the commodities stored in the reserve.

SEC. 1015. USE OF COMMODITY CREDIT CORPORATION.

The Secretary shall use the Commodity Credit Corporation, to the extent feasible, to carry out this subtitle. To the maximum extent practicable consistent with the effective and efficient administration of this subtitle, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

SEC. 1016. REGULATIONS.

Not later than 60 days after November 28, 2001, the Secretary shall issue such regulations as are necessary to carry out this subtitle.

Subtitle B—Biofuels Financial Assistance

SEC. 1021. LOANS AND LOAN GUARANTEES.

(a) IN GENERAL.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') may make and guarantee loans for the production, distribution, development, and storage of biofuels.

(b) ELIGIBILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), an applicant for a loan or loan guarantee under this section shall be eligible to receive such a loan or loan guarantee if—

(A) the applicant is a farmer, member of an association of farmers, member of a farm cooperative, municipal entity, nonprofit corporation, State, or Territory; and

(B) the applicant is unable to obtain sufficient credit elesewhere to finance the actual needs of the applicant at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

(2) LOAN GUARANTEE ELIGIBILITY PRECLUDES LOAN ELIGIBILITY.—An applicant who is eligible for a loan guarantee under this section shall not be eligible for a loan under this section.

(c) LOAN TERMS.—

(1) INTEREST RATE.—Interest shall be payable on a loan under this section at the rate at which interest is payable on obligations issued by United States for a similar period of time.

(2) REPAYMENT PERIOD.—A loan under this section shall be repayable in not less than 5 years and not more than 20 years.

(d) REVOLVING FUND.—

(1) ESTABLISHMENT.—The Secretary shall establish a revolving fund for the making of loans under this section.

(2) DEPOSITS.—The Secretary shall deposit into the revolving fund all amounts received on account of loans made under this section.

(3) PAYMENTS.—The Secretary shall make loans under this section, and make payments pursuant to loan guarantees provided under this section, from amounts in the revolving fund.

(e) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out this section.

(f) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of loans and loan guarantees under this section, there are authorized to be appropriated to the revolving fund established under subsection (d) such sums as may be necessary for fiscal years 2002 through 2009.

Subtitle C—Funding Source and Allocations

SEC. 1031. FUNDING FOR CONSERVATION FUNDING.

(a) REDUCTION IN FIXED DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.—Notwithstanding sections 104 and 105, the Secretary of Agriculture (in this subtitle referred to as the Secretary) shall reduce by $2,000,000,000 the total amount otherwise required to be paid under such sections in each of fiscal years 2002 through 2011, in accordance with this section.

(b) MAXIMUM TOTAL PAYMENTS BY TYPE AND FISCAL YEAR.—In making the reductions required by subsection (a), the Secretary shall ensure that—

(1) the total amount paid under section 104 does not exceed—

(A) $3,425,000,000 in fiscal year 2002; or

(B) $4,325,000,000 in any of fiscal years 2003 through 2011; and

(2) the total amount paid under section 105 does not exceed—

(A) $3,332,000,000 in fiscal year 2003;

(B) $4,494,000,000 in fiscal year 2004;

(C) $4,148,000,000 in fiscal year 2005;

(D) $3,974,000,000 in fiscal year 2006;

(E) $3,701,000,000 in fiscal year 2007;

(F) $3,222,000,000 in fiscal year 2008;

(G) $2,596,000,000 in fiscal year 2009;

(H) $2,057,000,000 in fiscal year 2010; or

(I) $1,675,000,000 in fiscal year 2011.

H.R. 2646

OFFERED BY: MS. KAPTUR

AMENDMENT NO. 36: At the end of title IX, insert the following new section:

SEC. ___. REGULATION OF COMMERCE IN POULTRY AND POULTRY PRODUCTS UNDER PACKERS AND STOCKYARDS ACT, 1921.

(a) REMOVAL OF POULTRY SLAUGHTER REQUIREMENT FROM DEFINITIONS.—Section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182), is amended—

(1) by striking paragraph (8) and inserting the following new paragraph:

''(8) The term 'poultry grower' means any person engaged in the business of raising or caring for live poultry under a poultry growing arrangement, whether the poultry is owned by such person or by another person;'';

(2) in paragraph (9), by striking ''and cares for live poultry for delivery, in accord with another's instructions, for slaughter'' and inserting ''or cares for live poultry in accord with another person's instructions''; and

(3) in paragraph (10), by striking ''for the purpose of either slaughtering it or selling it for slaughter by another''.

(b) ADMINISTRATIVE ENFORCEMENT AUTHORITY OVER LIVE POULTRY DEALERS.—Sections 203, 204, and 205 of such Act (7 U.S.C. 193, 194, 195) are amended by inserting ''or live poultry dealer'' after ''packer'' each place it appears.

(c) AUTHORITY TO REQUEST TEMPORARY INJUNCTION OR RESTRAINING ORDER.—Section 408 of such Act (7 U.S.C. 229) is amended by striking ''on account of poultry'' and inserting ''on account of poultry or poultry care''.

(d) VIOLATIONS BY LIVE POULTRY DEALERS.—Section 411 of such Act (7 U.S.C. 228b–2) is amended—

(1) in subsection (a), by striking ''any provision of section 207 or section 410 of''; and

(2) in subsection (b), by striking ''any provisions of section 207 or section 410'' and inserting ''any provision''.

H.R. 2646

OFFERED BY: MR. KUCINICH

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 37: At the end of title IX (page 354, after line 16), insert the following new section:

SEC. ___. CONTRACT LIMITATIONS REGARDING SALE OF GENETICALLY ENGINEERED SEEDS, PLANTS, AND ANIMALS.

(a) LIMITATIONS.—Any provision of any contract for the sale of a genetically engineered animal, genetically engineered plant, or genetically engineered seed to a purchaser for use in agricultural production is hereby declared against public policy and unenforceable if such provision—

(1) in the case of a sale of genetically engineered plants or genetically engineered seeds, prohibits the purchaser from retaining a portion of the harvested crop for future crop planting by the purchaser or charges a fee to retain a portion of the harvested crop for future crop planting;

(2) limits the ability of the purchaser to recover damages from the biotech company for a genetically engineered animal, genetically engineered plant, or genetically engineered seed that does not perform as advertised.

(3) shifts any liability from the biotech company to the purchaser;

(4) requires the purchaser to grant agents of the seller access to the purchaser's property;

(5) mandates arbitration of any disputes between the biotech company and the purchaser;

(6) mandates any court of jurisdiction for settlement of disputes; or

(7) imposes any unfair condition upon the purchaser, as determined by the Secretary of Agriculture or a court.

(b) DEFINITIONS.—In this section:

(1) GENETICALLY ENGINEERED ANIMAL.—The term ''genetically engineered animal'' means an animal that contains a genetically engineered material or was produced with a genetically engineered material. An animal shall be considered to contain a genetically engineered material or to have been produced with a genetically engineered material if the animal has been injected or otherwise treated with a genetically engineered material or is the offspring of an animal that has been so injected or treated.

(2) GENETICALLY ENGINEERED PLANT.—The term ''genetically engineered plant'' means a plant that contains a genetically engineered material or was produced from a genetically engineered seed. A plant shall be considered to contain a genetically engineered material if the plant has been injected or otherwise treated with a genetically engineered material (except that the use of manure as a fertilizer for the plant may not be construed to mean that the plant is produced with a genetically engineered material.

(3) GENETICALLY ENGINEERED SEED.—The term ''genetically engineered seed'' means a seed that contains a genetically engineered material or was produced with a genetically engineered material. A seed shall be considered to contain a genetically engineered material or to have been produced with a genetically engineered material if the seed (or the plant from which the seed is derived) has been injected or otherwise treated with a genetically engineered material (except that the use of manure as a fertilizer for the plant may not be construed to mean that any resulting seeds are produced with a genetically engineered material.

(4) GENETICALLY ENGINEERED MATERIAL.—The term ''genetically engineered material'' means material that has been altered at the molecular or cellular level by means that are not possible under natural conditions or processes (including recombinant DNA and RNA techniques, cell fusion, microencapsulation, macroencapsulation, gene deletion and doubling, introducing a foreign gene, and changing the positions of genes), other than a means consisting exclusively of breeding, conjugation, fermentation, hybridization, in vitro fertilization, or tissue culture.

(5) BIOTECH COMPANY.—The term ''biotech company'' means a person engaged in the business of creating genetically engineered material and obtaining the patent rights to that material for the purposes of commercial exploitation of that material. The term does not include the employees of such person.

H.R. 2646

OFFERED BY: MR. KUCINICH

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 38: In subsection (g)(2) in the quoted matter in section 747 of the bill (page 302, line 16), strike ''one percent'' and insert ''10 percent''.

H.R. 2883

OFFERED BY: MR. LAHOOD

AMENDMENT NO. 39: Page 12, beginning on line 1, strike section 306 (page 12, line 1, through page 19, line 18).

H.R. 2646

OFFERED BY: MR. LAMPSON

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 40: In section 183, strike the paragraph (3) being added by subsection (a) (page 131, lines 8 through 13), and insert the following new paragraph:

''(3) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—

''(A) GENERAL RULE.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed the amount specified in paragraph (2), as in effect on the day before the date of the enactment of the Farm Security Act of 2001.''.

''(B) SPECIAL RULE.—This subparagraph shall apply only with regard to counter-cyclical payments attributable to rice contract acres in a State wherein plantings of rice on contract acres declined by more than thirty percent in the 2001 crop year compared to the 1995 crop year. Notwithstanding section 1001A(b)(3)(A), the total amount of counter-cyclical payments, on a per-acre basis, that a landowner who is not actively engaged (consistent with section 1001A(b)(2)) in the production of a covered commodity on such acreage may receive during any crop year shall not exceed an amount that is equal to the greater of—

''(i) the proportionate share of the payment that is commensurate to the proportion that the contribution of the land represents to the operation on the contract acres, as determined by the appropriate county committee; or

''(ii) the proportionate share of the payment that is commensurate with the share of the crop that the landowner would have received under a normal and customary share rent contract for the production of a covered commodity in the area, as determined by the county committee.''.

H.R. 2646

OFFERED BY: MR. MILLER OF FLORIDA

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 41: Strike sections 151, 152, and 153 (page 75, line 19, through page 102, line 20) and insert the following new section:

SEC. 151. SUGAR PROGRAM.

(a) EXTENSION OF PROGRAM AT REDUCED LOAN RATES.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended—

(1) in subsection (a), by striking ''sugar.'' and inserting ''sugar through the 2001 crop of sugercane and 17 cents per pound for raw cane sugar for the 2002 through 2011 crops of sugarcane.'';

(2) in subsection (b), by striking ''sugar.'' and inserting ''sugar through the 2001 crop of sugar beets and 21.6 cents per pound for refined beet sugar for the 2002 through 2011 crops of sugar beets.''; and

(3) in subsection (i), by striking ''2002'' and inserting ''2011''.

(b) EXPIRATION OF MARKETING ASSESSMENT.—Effective October 1, 2003, subsection (f) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is repealed.

(c) INCREASE IN FORFEITURE PENALTY.—Subsection (g)(2) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended by striking ''1 cent'' and inserting ''2 cents''.

(d) AVAILABILITY OF SAVINGS FOR CONSERVATION AND ENVIRONMENTAL STEWARDSHIP PROGRAMS.—

(1) IN GENERAL.—The Secretary shall use funds appropriated pursuant to the authorization of appropriations in paragraph (3) to augment conservation and environmental stewardship programs established or amended in title II of this Act or for other conservation and environmental programs administered by the Department of Agriculture.

(2) PRIORITY.—In using the funds appropriated pursuant to the authorization of appropriations in paragraph (3), the Secretary shall give priority to conservation and environmental programs administered by the Department of Agriculture that conserve, restore, or enhance the Florida Everglades ecosystem.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary $30,000,000 for each of the fiscal years 2002 through 2011. Amounts appropriated pursuant to this authorization of appropriations shall be available until expended and are in addition to, and not in place of, other funds made available under this Act or any other Act for the programs referred to in paragraph (1).

H.R. 2646

OFFERED BY: MR. MILLER OF FLORIDA

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 42: Strike sections 151, 152, and 153 (page 75, line 19, through page 102, line 20) and insert the following new section:

SEC. 151. SUGAR PROGRAM.

(a) EXTENSION OF PROGRAM AT REDUCED LOAN RATES.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended—

(1) in subsection (a), by striking ''sugar.'' and inserting ''sugar through the 2001 crop of sugercane and 17 cents per pound for raw cane sugar for the 2002 through 2011 crops of sugarcane.'';

(2) in subsection (b), by striking ''sugar.'' and inserting ''sugar through the 2001 crop of sugar beets and 21.6 cents per pound for refined beet sugar for the 2002 through 2011 crops of sugar beets.''; and

(3) in subsection (i), by striking ''2002'' and inserting ''2011''.

(b) EXPIRATION OF MARKETING ASSESSMENT.—Effective October 1, 2003, subsection (f) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is repealed.

(c) INCREASE IN FORFEITURE PENALTY.—Subsection (g)(2) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended by striking ''1 cent'' and inserting ''2 cents''.

H.R. 2646

OFFERED BY: MR. MILLER OF FLORIDA

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 43: Strike chapter 2 of subtitle C of title I (page 75, line 18, through page 102, line 20), relating to sugar.

At the end of subtitle E of title II (page 150, after line 14), insert the following new section:

SEC. 245. ADDITIONAL FUNDS FOR CONSERVATION AND ENVIRONMENTAL STEWARDSHIP PROGRAMS.

(a) USE OF FUNDS; PRIORITY.—The Secretary of Agriculture shall use funds appropriated pursuant to the authorization of appropriations in subsection (b) to augment conservation and environmental stewardship programs established or amended in this title or for other appropriate conservation and environmental programs, as determined by the Secretary. In using such funds, the Secretary shall give priority to programs that conserve, restore, or enhance the Florida Everglades ecosystem.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary $30,000,000 for each of the fiscal years 2002 through 2011. Amounts appropriated pursuant to this authorization of appropriations shall be available until expended and are in addition to, and not in place of, other funds made available under this Act or any other Act for the programs referred to in subsection (a).

H.R. 2646

OFFERED BY: MR. MILLER OF FLORIDA

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 44: Strike sections 151, 152, and 153 (page 75, line 19, through page 102, line 20) and insert the following new section:

Strike sections 151, 152, and 153 (page 75, line 19, through page 102, line 20) and insert the following new section:

SEC. 151. SUGAR PROGRAM.

(a) EXTENSION OF PROGRAM AT REDUCED LOAN RATES.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended—

(1) in subsection (a), by striking ''sugar.'' and inserting ''sugar through the 2001 crop of sugercane and 17 cents per pound for raw cane sugar for the 2002 through 2011 crops of sugarcane.'';

(2) in subsection (b), by striking ''sugar.'' and inserting ''sugar through the 2001 crop of sugar beets and 21.6 cents per pound for refined beet sugar for the 2002 through 2011 crops of sugar beets.''; and

(3) in subsection (i), by striking ''2002'' and inserting ''2011''.

(b) EXPIRATION OF MARKETING ASSESSMENT.—Effective October 1, 2003, subsection (f) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is repealed.

(c) INCREASE IN FORFEITURE PENALTY.—Subsection (g)(2) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended by striking ''1 cent'' and inserting ''2 cents''.

(d) AVAILABILITY OF SAVINGS FOR CONSERVATION AND ENVIRONMENTAL STEWARDSHIP PROGRAMS.—

(1) IN GENERAL.—The Secretary shall use funds appropriated pursuant to the authorization of appropriations in paragraph (2) to augment conservation and environmental stewardship programs established or amended in title II of this Act or for other conservation and environmental programs administered by the Department of Agriculture.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary $30,000,000 for each of the fiscal years 2002 through 2011. Amounts appropriated pursuant to this authorization of appropriations shall be available until expended and are in addition to, and not in place of, other funds made available under this Act or any other Act for the programs referred to in paragraph (1).

H.R. 2646

OFFERED BY: MRS. MORELLA

AMENDMENT NO. 45: At the end of title IX, insert the following new section:

SEC. ___. ENFORCEMENT OF THE HUMANE METHODS OF SLAUGHTER ACT OF 1958.

(a) FINDINGS.—Congress finds as follows:

(1) Public demand for passage of Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the ''Humane Methods of Slaughter Act of 1958'') was so great that when President Eisenhower was asked at a press conference if he would sign the bill, he replied, ''If I went by mail, I'd think no one was interested in anything but humane slaughter''.

(2) The Humane Methods of Slaughter Act of 1958 requires that animals be rendered insensible to pain when they are slaughtered.

(3) Scientific evidence indicates that treating animals humanely results in tangible economic benefits.

(4) The United States Animal Health Association passed a resolution at a meeting in October 1998 to encourage strong enforcement of the Humane Methods of Slaughter Act of 1958 and reiterated support for the resolution at a meeting in 2000.

(5) The Secretary of Agriculture is responsible for fully enforcing the Act, including monitoring compliance by the slaughtering industry.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Agriculture should fully enforce Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the ''Humane Methods of Slaughter Act of 1958'') by ensuring that humane methods in the slaughter of livestock—

(1) prevent needless suffering;

(2) result in safer and better working conditions for persons engaged in the slaughtering industry;

(3) bring about improvement of products and economies in slaughtering operations; and

(4) produce other benefits for producers, processors, and consumers that tend to expedite an orderly flow of livestock and livestock products in interstate and foreign commerce.

(c) POLICY OF THE UNITED STATES.—It is the policy of the United States that the slaughtering of livestock and the handling of livestock in connection with slaughter shall be carried out only by humane methods, as provided by Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the ''Humane Methods of Slaughter Act of 1958'').

H.R. 2646

OFFERED BY: MR. PICKERING

AMENDMENT NO. 46: At the end of title IX, add the following section:

SEC. 9___. MARKET NAME FOR PANGASIUS FISH SPECIES.

The term ''catfish'' may not be considered to be a common or usual name (or part thereof) for the fish Pangasius bocourti, or for any other fish not classified within the family Ictalariidae, for purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

H.R. 2646

OFFERED BY: MR. SANDERS

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 47: At the end of chapter 1 of subtitle C of title I (page 75, after line 17), insert the following new section:

SEC. ___. NATIONAL COUNTER-CYCLICAL INCOME SUPPORT PROGRAM FOR DAIRY PRODUCERS.

(a) DEFINITIONS.—In this section:

(1) BOARD.—The term ''Board'' means a Regional Supply Management Board established under subsection (b)(4).

(2) CLASS I, II, III, AND IV MILK.—The terms 'Class I milk', 'Class II milk', 'Class III milk', and 'Class IV milk' mean milk classified as Class I, II, III, or IV milk, respectively, under an order.

(3) DISTRICT.—The term ''District'' means a Regional Supply Management District established under subsection (b)(3).

(4) ELIGIBLE PRODUCER.—The term ''eligible producer'' means an individual or entity that directly or indirectly has an interest in the production of milk.

(5) ELIGIBLE PRODUCTION.—The term ''eligible production'' means the lesser of—

(A) the quantity of milk produced by an eligible producer during a month; or

(B) 230,000 pounds per month.

(6) MARKETING AREA.—The term ''marketing area'' means a marketing area subject to an order.

(7) ORDER.—The term 'order' means—

(A) an order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937; or

(B) a comparable State order, as determined by the Secretary.

(8) PARTICIPATING STATE.—The term ''participating State'' means a State that is participating in the program authorized by this section in accordance with subsection (b)(2).

(9) STATE.—The term 'State' means each of the 48 contiguous States of the United States.

(10) TRUST FUND.—The term 'Trust Fund' means the National Dairy Producers Trust Fund established under subsection (b)(5).

(b) INCOME SUPPORT FOR ELIGIBLE PRODUCERS FOR MILK SOLD TO PROCESSORS IN PARTICIPATING STATES.—

(1) IN GENERAL.—During each of calendar years 2002 through 2011, the Secretary shall carry out a program under this subsection to support the income of eligible producers for milk sold to processors in participating States.

(2) PARTICIPATING STATES.—

(A) SPECIFIED STATES.—The following States are participating States for purposes of the program authorized by this section: Alabama, Arkansas, Connecticut, Delaware, Georgia, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia.

(B) OTHER STATES.—The Governor of a State not described in subparagraph (A) may provide for the participation of the State in the program authorized by this section by providing notice to the Secretary in a manner determined by the Secretary.

(C) WITHDRAWAL.—

(i) IN GENERAL.—For a State to withdraw from participation in the program authorized by this section, the Governor of the State (with the concurrence of the legislature of the State) shall notify the Secretary of the withdrawal of the State from participation in the program in a manner determined by the Secretary.

(ii) EFFECTIVE DATE.—The withdrawal of a State from participation in the program takes effect—

(I) in the case of written notice provided during the 180-day period beginning on the date of enactment of this Act, on the date on which the notice is provided to the Secretary; and

(II) in the case of written notice provided after the 180-day period, on the date that is 1 year after the date on which the notice is provided to the Secretary.

(3) REGIONAL SUPPLY MANAGEMENT DISTRICTS.—To carry out this subsection, the Secretary shall establish 5 Regional Supply Management Districts that are composed of the following participating States:

(A) NORTHEAST DISTRICT.—A Northeast District consisting of the States of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Vermont.

(B) SOUTHERN DISTRICT.—A Southern District consisting of the States of Alabama, Arkansas, Florida, Georgia, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, North Carolina, Oklahoma, South Carolina, Texas, Tennessee, Virginia, and West Virginia.

(C) UPPER MIDWEST DISTRICT.—An Upper Midwest District consisting of the States of Illinois, Indiana, Iowa, Michigan, Minnesota, North Dakota, South Dakota, and Wisconsin.

(D) INTERMOUNTAIN DISTRICT.—An Intermountain District consisting of the States of Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

(E) PACIFIC DISTRICT.—A Pacific District consisting of the States of California, Oregon, and Washington.

(4) REGIONAL SUPPLY MANAGEMENT BOARDS.—

(A) IN GENERAL.—Each District shall be administered by a Regional Supply Management Board.

(B) COMPOSITION.—

(i) IN GENERAL.—The Board of a District shall be composed of not less than 2, and not more than 3, members from each participating State in the District, appointed by the Secretary from nominations submitted by the Governor of the State.

(ii) NOMINATIONS.—The Governor of a participating State shall nominate at least 5 residents of the State to serve on the Board, of which—

(I) at least 1 nominee shall be an eligible producer at the time of nomination; and

(II) at least 1 nominee shall be a consumer representative.

(5) NATIONAL DAIRY PRODUCERS TRUST FUND.—

(A) ESTABLISHMENT AND FUNDING.—There is established in the Treasury of the United States a trust fund to be known as the National Dairy Producers Trust Fund, which shall consist of—

(i) the payments received by the Secretary and deposited in the Trust Fund under paragraph (6); and

(ii) the payments made by the Secretary to the Trust Fund under paragraph (7).

(B) EXPENDITURES.—Amounts in the Trust Fund shall be available to the Secretary, to the extent provided for in advance in an appropriations Act, to carry out paragraphs (8) through (10).

(6) PAYMENTS FROM PROCESSORS TO TRUST FUND.—

(A) IN GENERAL.—During any month for which the Secretary estimates that the average price paid by processors for Class I milk in a District will not exceed $17.50 per hundredweight, each processor in a participating State in the District that purchases Class I milk from an eligible producer during the month shall pay to the Secretary for deposit in the Trust Fund an amount obtained by multiplying—

(i) the payment rate determined under subparagraph (B); by

(ii) the quantity of Class I milk purchased from the eligible producer during the month.

(B) PAYMENT RATE.—The payment rate for a payment made by a processor that purchases Class I milk in a participating State in a District under subparagraph (A)(i) shall equal the difference between—

(i) $17.50 per hundredweight; and

(ii)(I) in the case of an area covered by an order, the minimum price required to be paid to eligible producers for Class I milk in the marketing area under an order; or

(II) in the case of an area not covered by an order, the minimum price determined by the Secretary, taking into account the minimum price referred to in subclause (I) in adjacent marketing areas.

(7) COUNTER-CYCLICAL PAYMENTS FROM SECRETARY TO TRUST FUND.—

(A) IN GENERAL.—To the extent provided for in advance in an appropriations Act, the Secretary shall use the funds, facilities, and

authorities of the Commodity Credit Corporation to make a payment each month to the Trust Fund in an amount determined by multiplying—

(i) the payment rate determined under subparagraph (B); by

(ii) the quantity of eligible production of Class II, Class III, and Class IV milk sold in the various Districts during the month, as determined by the Secretary.

(B) PAYMENT RATE.—The payment rate for a payment made to the Trust Fund for a month under subparagraph (A)(i) shall equal 25 percent of the difference between—

(i) $13.00 per hundredweight; and

(ii) the weighted average of the price received by producers in each District for Class III milk during the month, as determined by the Secretary.

(8) COMPENSATION FROM TRUST FUND FOR ADMINISTRATIVE AND INCREASED FOOD ASSISTANCE COSTS.—The Secretary shall use amounts in the Trust Fund to provide compensation to the Secretary for—

(A) administrative costs incurred by the Secretary and Boards in carrying out this subsection; and

(B) the increased cost of any milk and milk products provided under any food assistance program administered by the Secretary that results from carrying out this subsection.

(9) PAYMENTS FROM TRUST FUND TO BOARDS.—

(A) IN GENERAL.—The Secretary shall use any amounts in the Trust Fund that remain after providing the compensation required under paragraph (8) to make monthly payments to Boards.

(B) AMOUNT.—The amount of a payment made to a Board of a District for a month under subparagraph (A) shall bear the same ratio to payments made to all Boards for the month as the eligible production sold in the District during the month bears to eligible production sold in all Districts.

(10) PAYMENTS BY BOARDS TO PRODUCERS.—

(A) IN GENERAL.—With the approval of the Secretary, a Board of a District shall use payments received under paragraph (9) to make payments to eligible producers for eligible production of milk that is commercially sold in a participating State in the District.

(B) SUPPLY MANAGEMENT.—In carrying out subparagraph (A), a Board of a District may—

(i) use a portion of the payments described in subparagraph (A) to provide bonuses or other incentives to eligible producers for eligible production to manage the supply of milk produced in the District; and

(ii) request the Secretary to review a proposed action under clause (i).

(C) REIMBURSEMENT OF COMMODITY CREDIT CORPORATION.—

(i) IN GENERAL.—If the Secretary determines that the Commodity Credit Corporation has incurred additional costs to carry out section 141 as a result of overproduction of milk due to the operation of this section in a District, the Secretary shall require the Board of the District to reimburse the Commodity Credit Corporation for the additional costs.

(ii) BOARD ASSESSMENT.—The Board of the District may impose an assessment on the sale of milk within participating States in the District to compensate the Commodity Credit Corporation for the additional costs.

(c) COUNTER-CYCLICAL PAYMENTS FOR ELIGIBLE PRODUCERS FOR MILK SOLD TO PROCESSORS IN NONPARTICIPATING STATES.—

(1) IN GENERAL.—To the extent provided for in advance in an appropriations Act, during each of calendar years 2002 through 2011, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to make payments to an eligible producer in a District for milk sold to processors in a State that is not a participating State in an amount determined by multiplying—

(A) the payment rate determined under paragraph (2); by

(B) the payment quantity determined under paragraph (3).

(2) PAYMENT RATE.—The payment rate for a payment made to an eligible producer in a District for a month under paragraph (1)(A) shall equal 25 percent of the difference between—

(A) $13.00 per hundredweight; and

(B) the average price received by producers in the District for Class III milk during the month, as determined by the Secretary.

(3) PAYMENT QUANTITY.—The payment quantity for a payment made to an eligible producer in a District for a month under paragraph (1)(B) shall be equal to—

(A) the quantity of eligible production of Class II, Class III, and Class IV milk for the eligible producer during the month, as determined by the Secretary; less

(B) the quantity of any milk that is sold by the eligible producer to a processor in a participating State during the month.

(d) LIMITATION.—In determining the amount of payments made for eligible production under this section, no individual or entity directly or indirectly may be paid on production in excess of 230,000 pounds of milk per month.

H.R. 2646,

OFFERED BY: MR. SANDERS

[Page and line numbers refer to the Amendment in the Nature of a Substitute (COMBES.011]

AMENDMENT NO. 48: Page 217, insert the following after section 443 (and make such technical and conforming changes as may be appropriate):

SEC. 444. SENSE OF THE CONGRESS REGARDING ELIGIBILITY OF ELDERLY INDIVIDUALS TO PARTICIPATE THE COMMODITY SUPPLEMENTAL FOOD PROGRAM.

It is the Sense of the Congress that the Secretary of Agriculture should issue a rule to restore to 185 percent of the poverty line the Elderly Income Guidelines for participation in the Commodity Supplemental Food Program so that the Guidelines are the same as the income guidelines for participation by mothers, infants, and children in such program.

H.R. 2646

OFFERED BY: MR. SHERWOOD

[Page and line numbers refer to the amendment in the nature of a substitute]

AMENDMENT NO. 49: At the end of chapter 1 of subtitle C of title I (page 75, after line 17), insert the following new sections:

SEC. 147. NORTHEAST INTERSTATE DAIRY COMPACT.

(a) IN GENERAL.—Section 147 of the Agricultural Market Transition Act (7 U.S.C. 7256) is amended—

(1) in the matter preceding paragraph (1), by striking ''States'' and all that follows through ''Vermont'' and inserting ''States of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont'';

(2) by striking paragraphs (1), (3), (4), and (7);

(3) by redesignating paragraph (2) as paragraph (1) and, in such paragraph, by striking ''Class III-A'' and inserting ''Class IV'';

(4) by inserting after paragraph (1), as so redesignated, the following new paragraphs:

''(2) COMPENSATION OF SPECIAL MILK PROGRAM.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Northeast Interstate Dairy Compact Commission shall compensate the Secretary for the increased cost of any milk and milk products provided under the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772) that results from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

''(3) ADDITIONAL STATE.—Ohio is the only additional State that may join the Northeast Interstate Dairy Compact.'';

(5) by redesignating paragraph (5) as paragraph (4) and, in such paragraph, by striking ''the projected rate of increase'' and all that follows through ''Secretary'' and inserting ''the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code''; and

(6) by redesignating paragraph (6) as paragraph (5).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect as of September 30, 2001.

SEC. 148. SOUTHERN DAIRY COMPACT.

(a) IN GENERAL.—Congress consents to the Southern Dairy Compact entered into among the States of Alabama, Arkansas, Georgia, Kansas, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Virginia, and West Virginia, subject to the following conditions:

(1) LIMITATION OF MANUFACTURING PRICE REGULATION.—The Southern Dairy Compact Commission may not regulate Class II, Class III, or Class IV milk used for manufacturing purposes or any other milk, other than Class I, or fluid milk, as defined by a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Act of 1937 (referred to in this section as a ''Federal milk marketing order'') unless Congress has first consented to and approved such authority by a law enacted after the date of enactment of this joint resolution.

(2) COMPENSATION OF SPECIAL MILK PROGRAM.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Southern Dairy Compact Commission shall compensate the Secretary of Agriculture for the increased cost of any milk and milk products provided under the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772) that results from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(3) ADDITIONAL STATES.—Florida, Nebraska, and Texas are the only additional States that may join the Southern Dairy Compact, individually or otherwise.

(4) COMPENSATION OF COMMODITY CREDIT CORPORATION.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Southern Dairy Compact Commission shall compensate the Commodity Credit Corporation for the cost of any purchases of milk and milk products by the Corporation that result from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(5) MILK MARKETING ORDER ADMINISTRATOR.—At the request of the Southern

Dairy Compact Commission, the Administrator of the applicable Federal milk marketing order shall provide technical assistance to the Compact Commission and be compensated for that assistance.

(b) COMPACT.—The Southern Dairy Compact is substantially as follows:

''ARTICLE I. STATEMENT OF PURPOSE, FINDINGS AND DECLARATION OF POLICY

''§ 1. Statement of purpose, findings and declaration of policy

''The purpose of this compact is to recognize the interstate character of the southern dairy industry and the prerogative of the states under the United States Constitution to form an interstate commission for the southern region. The mission of the commission is to take such steps as are necessary to assure the continued viability of dairy farming in the south, and to assure consumers of an adequate, local supply of pure and wholesome milk.

''The participating states find and declare that the dairy industry is an essential agricultural activity of the south. Dairy farms, and associated suppliers, marketers, processors and retailers are an integral component of the region's economy. Their ability to provide a stable, local supply of pure, wholesome milk is a matter of great importance to the health and welfare of the region.

''The participating states further find that dairy farms are essential and they are an integral part of the region's rural communities. The farms preserve land for agricultural purposes and provide needed economic stimuli for rural communities.

''In establishing their constitutional regulatory authority over the region's fluid milk market by this compact, the participating states declare their purpose that this compact neither displace the federal order system nor encourage the merging of federal orders. Specific provisions of the compact itself set forth this basic principle.

''Designed as a flexible mechanism able to adjust to changes in a regulated marketplace, the compact also contains a contingency provision should the federal order system be discontinued. In that event, the interstate commission is authorized to regulate the marketplace in replacement of the order system. This contingent authority does not anticipate such a change, however, and should not be so construed. It is only provided should developments in the market other than establishment of this compact result in discontinuance of the order system.

''By entering into this compact, the participating states affirm that their ability to regulate the price which southern dairy farmers receive for their product is essential to the public interest. Assurance of a fair and equitable price for dairy farmers ensures their ability to provide milk to the market and the vitality of the southern dairy industry, with all the associated benefits.

''Recent, dramatic price fluctuations, with a pronounced downward trend, threaten the viability and stability of the southern dairy region. Historically, individual state regulatory action had been an effective emergency remedy available to farmers confronting a distressed market. The federal order system, implemented by the Agricultural Marketing Agreement Act of 1937, establishes only minimum prices paid to producers for raw milk, without preempting the power of states to regulate milk prices above the minimum levels so established.

''In today's regional dairy marketplace, cooperative, rather than individual state action is needed to more effectively address the market disarray. Under our constitutional system, properly authorized states acting cooperatively may exercise more power to regulate interstate commerce than they may assert individually without such authority. For this reason, the participating states invoke their authority to act in common agreement, with the consent of Congress, under the compact clause of the Constitution.

''ARTICLE II. DEFINITIONS AND RULES OF CONSTRUCTION

''§ 2. Definitions

''For the purposes of this compact, and of any supplemental or concurring legislation enacted pursuant thereto, except as may be otherwise required by the context:

''(1) 'Class I milk' means milk disposed of in fluid form or as a fluid milk product, subject to further definition in accordance with the principles expressed in subdivision (b) of section three.

''(2) 'Commission' means the Southern Dairy Compact Commission established by this compact.

''(3) 'Commission marketing order' means regulations adopted by the commission pursuant to sections nine and ten of this compact in place of a terminated federal marketing order or state dairy regulation. Such order may apply throughout the region or in any part or parts thereof as defined in the regulations of the commission. Such order may establish minimum prices for any or all classes of milk.

''(4) 'Compact' means this interstate compact.

''(5) 'Compact over-order price' means a minimum price required to be paid to producers for Class I milk established by the commission in regulations adopted pursuant to sections nine and ten of this compact, which is above the price established in federal marketing orders or by state farm price regulations in the regulated area. Such price may apply throughout the region or in any part or parts thereof as defined in the regulations of the commission.

''(6) 'Milk' means the lacteral secretion of cows and includes all skim, butterfat, or other constituents obtained from separation or any other process. The term is used in its broadest sense and may be further defined by the commission for regulatory purposes.

''(7) 'Partially regulated plant' means a milk plant not located in a regulated area but having Class I distribution within such area. Commission regulations may exempt plants having such distribution or receipts in amounts less than the limits defined therein.

''(8) 'Participating state' means a state which has become a party to this compact by the enactment of concurring legislation.

''(9) 'Pool plant' means any milk plant located in a regulated area.

''(10) 'Region' means the territorial limits of the states which are parties to this compact.

''(11) 'Regulated area' means any area within the region governed by and defined in regulations establishing a compact over-order price or commission marketing order.

''(12) 'State dairy regulation' means any state regulation of dairy prices, and associated assessments, whether by statute, marketing order or otherwise.

''§ 3. Rules of construction

''(a) This compact shall not be construed to displace existing federal milk marketing orders or state dairy regulation in the region but to supplement them. In the event some or all federal orders in the region are discontinued, the compact shall be construed to provide the commission the option to replace them with one or more commission marketing orders pursuant to this compact.

''(b) The compact shall be construed liberally in order to achieve the purposes and intent enunciated in section one. It is the intent of this compact to establish a basic structure by which the commission may achieve those purposes through the application, adaptation and development of the regulatory techniques historically associated with milk marketing and to afford the commission broad flexibility to devise regulatory mechanisms to achieve the purposes of this compact. In accordance with this intent, the technical terms which are associated with market order regulation and which have acquired commonly understood general meanings are not defined herein but the commission may further define the terms used in this compact and develop additional concepts and define additional terms as it may find appropriate to achieve its purposes.

''ARTICLE III. COMMISSION ESTABLISHED

''§ 4. Commission established

''There is hereby created a commission to administer the compact, composed of delegations from each state in the region. The commission shall be known as the Southern Dairy Compact Commission. A delegation shall include not less than three nor more than five persons. Each delegation shall include at least one dairy farmer who is engaged in the production of milk at the time of appointment or reappointment, and one consumer representative. Delegation members shall be residents and voters of, and subject to such confirmation process as is provided for in the appointing state. Delegation members shall serve no more than three consecutive terms with no single term of more than four years, and be subject to removal for cause. In all other respects, delegation members shall serve in accordance with the laws of the state represented. The compensation, if any, of the members of a state delegation shall be determined and paid by each state, but their expenses shall be paid by the commission.

''§ 5. Voting requirements

''All actions taken by the commission, except for the establishment or termination of an over-order price or commission marketing order, and the adoption, amendment or rescission of the commission's by-laws, shall be by majority vote of the delegations present. Each state delegation shall be entitled to one vote in the conduct of the commission's affairs. Establishment or termination of an over-order price or commission marketing order shall require at least a two-thirds vote of the delegations present. The establishment of a regulated area which covers all or part of a participating state shall require also the affirmative vote of that state's delegation. A majority of the delegations from the participating states shall constitute a quorum for the conduct of the commission's business.

''§ 6. Administration and management

''(a) The commission shall elect annually from among the members of the participating state delegations a chairperson, a vice-chairperson, and a treasurer. The commission shall appoint an executive director and fix his or her duties and compensation. The executive director shall serve at the pleasure of the commission, and together with the treasurer, shall be bonded in an amount determined by the commission. The commission may establish through its by-laws an executive committee composed of one member elected by each delegation.

''(b) The commission shall adopt by-laws for the conduct of its business by a two-thirds vote, and shall have the power by the same vote to amend and rescind these by-laws. The commission shall publish its by-laws in convenient form with the appropriate agency or officer in each of the participating states. The by-laws shall provide for appropriate notice to the delegations of all commission meetings and hearings and of the

business to be transacted at such meetings or hearings. Notice also shall be given to other agencies or officers of participating states as provided by the laws of those states.

''(c) The commission shall file an annual report with the Secretary of Agriculture of the United States, and with each of the participating states by submitting copies to the governor, both houses of the legislature, and the head of the state department having responsibilities for agriculture.

''(d) In addition to the powers and duties elsewhere prescribed in this compact, the commission shall have the power:

''(1) To sue and be sued in any state or federal court;

''(2) To have a seal and alter the same at pleasure;

''(3) To acquire, hold, and dispose of real and personal property by gift, purchase, lease, license, or other similar manner, for its corporate purposes;

''(4) To borrow money and issue notes, to provide for the rights of the holders thereof and to pledge the revenue of the commission as security therefor, subject to the provisions of section eighteen of this compact;

''(5) To appoint such officers, agents, and employees as it may deem necessary, prescribe their powers, duties and qualifications; and

''(6) To create and abolish such offices, employments and positions as it deems necessary for the purposes of the compact and provide for the removal, term, tenure, compensation, fringe benefits, pension, and retirement rights of its officers and employees. The commission may also retain personal services on a contract basis.

''§ 7. Rulemaking power

''In addition to the power to promulgate a compact over-order price or commission marketing orders as provided by this compact, the commission is further empowered to make and enforce such additional rules and regulations as it deems necessary to implement any provisions of this compact, or to effectuate in any other respect the purposes of this compact.

''ARTICLE IV. POWERS OF THE COMMISSION

''§ 8. Powers to promote regulatory uniformity, simplicity, and interstate cooperation

''The commission is hereby empowered to:

''(1) Investigate or provide for investigations or research projects designed to review the existing laws and regulations of the participating states, to consider their administration and costs, to measure their impact on the production and marketing of milk and their effects on the shipment of milk and milk products within the region.

''(2) Study and recommend to the participating states joint or cooperative programs for the administration of the dairy marketing laws and regulations and to prepare estimates of cost savings and benefits of such programs.

''(3) Encourage the harmonious relationships between the various elements in the industry for the solution of their material problems. Conduct symposia or conferences designed to improve industry relations, or a better understanding of problems.

''(4) Prepare and release periodic reports on activities and results of the commission's efforts to the participating states.

''(5) Review the existing marketing system for milk and milk products and recommend changes in the existing structure for assembly and distribution of milk which may assist, improve or promote more efficient assembly and distribution of milk.

''(6) Investigate costs and charges for producing, hauling, handling, processing, distributing, selling and for all other services performed with respect to milk.

''(7) Examine current economic forces affecting producers, probable trends in production and consumption, the level of dairy farm prices in relation to costs, the financial conditions of dairy farmers, and the need for an emergency order to relieve critical conditions on dairy farms.

''§ 9. Equitable farm prices

''(a) The powers granted in this section and section ten shall apply only to the establishment of a compact over-order price, so long as federal milk marketing orders remain in effect in the region. In the event that any or all such orders are terminated, this article shall authorize the commission to establish one or more commission marketing orders, as herein provided, in the region or parts thereof as defined in the order.

''(b) A compact over-order price established pursuant to this section shall apply only to Class I milk. Such compact over-order price shall not exceed one dollar and fifty cents per gallon at Atlanta, Ga., however, this compact over-order price shall be adjusted upward or downward at other locations in the region to reflect differences in minimum federal order prices. Beginning in nineteen hundred ninety, and using that year as a base, the foregoing one dollar fifty cents per gallon maximum shall be adjusted annually by the rate of change in the Consumer Price Index as reported by the Bureau of Labor Statistics of the United States Department of Labor. For purposes of the pooling and equalization of an over-order price, the value of milk used in other use classifications shall be calculated at the appropriate class price established pursuant to the applicable federal order or state dairy regulation and the value of unregulated milk shall be calculated in relation to the nearest prevailing class price in accordance with and subject to such adjustments as the commission may prescribe in regulations.

''(c) A commission marketing order shall apply to all classes and uses of milk.

''(d) The commission is hereby empowered to establish a compact over-order price for milk to be paid by pool plants and partially regulated plants. The commission is also empowered to establish a compact over-order price to be paid by all other handlers receiving milk from producers located in a regulated area. This price shall be established either as a compact over-order price or by one or more commission marketing orders. Whenever such a price has been established by either type of regulation, the legal obligation to pay such price shall be determined solely by the terms and purpose of the regulation without regard to the situs of the transfer of title, possession or any other factors not related to the purposes of the regulation and this compact. Producer-handlers as defined in an applicable federal market order shall not be subject to a compact over-order price. The commission shall provide for similar treatment of producer-handlers under commission marketing orders.

''(e) In determining the price, the commission shall consider the balance between production and consumption of milk and milk products in the regulated area, the costs of production including, but not limited to the price of feed, the cost of labor including the reasonable value of the producer's own labor and management, machinery expense, and interest expense, the prevailing price for milk outside the regulated area, the purchasing power of the public and the price necessary to yield a reasonable return to the producer and distributor.

''(f) When establishing a compact over-order price, the commission shall take such other action as is necessary and feasible to help ensure that the over-order price does not cause or compensate producers so as to generate local production of milk in excess of those quantities necessary to assure consumers of an adequate supply for fluid purposes.

''(g) The commission shall whenever possible enter into agreements with state or federal agencies for exchange of information or services for the purpose of reducing regulatory burden and cost of administering the compact. The commission may reimburse other agencies for the reasonable cost of providing these services.

''§ 10. Optional provisions for pricing order

''Regulations establishing a compact over-order price or a commission marketing order may contain, but shall not be limited to any of the following:

''(1) Provisions classifying milk in accordance with the form in which or purpose for which it is used, or creating a flat pricing program.

''(2) With respect to a commission marketing order only, provisions establishing or providing a method for establishing separate minimum prices for each use classification prescribed by the commission, or a single minimum price for milk purchased from producers or associations of producers.

''(3) With respect to an over-order minimum price, provisions establishing or providing a method for establishing such minimum price for Class I milk.

''(4) Provisions for establishing either an over-order price or a commission marketing order may make use of any reasonable method for establishing such price or prices including flat pricing and formula pricing. Provision may also be made for location adjustments, zone differentials and for competitive credits with respect to regulated handlers who market outside the regulated area.

''(5) Provisions for the payment to all producers and associations of producers delivering milk to all handlers of uniform prices for all milk so delivered, irrespective of the uses made of such milk by the individual handler to whom it is delivered, or for the payment of producers delivering milk to the same handler of uniform prices for all milk delivered by them.

''(A) With respect to regulations establishing a compact over-order price, the commission may establish one equalization pool within the regulated area for the sole purpose of equalizing returns to producers throughout the regulated area.

''(B) With respect to any commission marketing order, as defined in section two, subdivision three, which replaces one or more terminated federal orders or state dairy regulations, the marketing area of now separate state or federal orders shall not be merged without the affirmative consent of each state, voting through its delegation, which is partly or wholly included within any such new marketing area.

''(6) Provisions requiring persons who bring Class I milk into the regulated area to make compensatory payments with respect to all such milk to the extent necessary to equalize the cost of milk purchased by handlers subject to a compact over-order price or commission marketing order. No such provisions shall discriminate against milk producers outside the regulated area. The provisions for compensatory payments may require payment of the difference between the Class I price required to be paid for such milk in the state of production by a federal milk marketing order or state dairy regulation and the Class I price established by the compact over-order price or commission marketing order.

''(7) Provisions specially governing the pricing and pooling of milk handled by partially regulated plants.

''(8) Provisions requiring that the account of any person regulated under the compact over-order price shall be adjusted for any payments made to or received by such persons with respect to a producer settlement fund of any federal or state milk marketing order or other state dairy regulation within the regulated area.

''(9) Provision requiring the payment by handlers of an assessment to cover the costs of the administration and enforcement of such order pursuant to Article VII, Section 18(a).

''(10) Provisions for reimbursement to participants of the Women, Infants and Children Special Supplemental Food Program of the United States Child Nutrition Act of 1966.

''(11) Other provisions and requirements as the commission may find are necessary or appropriate to effectuate the purposes of this compact and to provide for the payment of fair and equitable minimum prices to producers.

''ARTICLE V. RULEMAKING PROCEDURE

''§ 11. Rulemaking procedure

''Before promulgation of any regulations establishing a compact over-order price or commission marketing order, including any provision with respect to milk supply under subsection 9(f), or amendment thereof, as provided in Article IV, the commission shall conduct an informal rulemaking proceeding to provide interested persons with an opportunity to present data and views. Such rulemaking proceeding shall be governed by section four of the Federal Administrative Procedure Act, as amended (5 U.S.C. §553). In addition, the commission shall, to the extent practicable, publish notice of rulemaking proceedings in the official register of each participating state. Before the initial adoption of regulations establishing a compact over-order price or a commission marketing order and thereafter before any amendment with regard to prices or assessments, the commission shall hold a public hearing. The commission may commence a rulemaking proceeding on its own initiative or may in its sole discretion act upon the petition of any person including individual milk producers, any organization of milk producers or handlers, general farm organizations, consumer or public interest groups, and local, state or federal officials.

''§ 12. Findings and referendum

''(a) In addition to the concise general statement of basis and purpose required by section 4(b) of the Federal Administrative Procedure Act, as amended (5 U.S.C. §553(c)), the commission shall make findings of fact with respect to:

''(1) Whether the public interest will be served by the establishment of minimum milk prices to dairy farmers under Article IV.

''(2) What level of prices will assure that producers receive a price sufficient to cover their costs of production and will elicit an adequate supply of milk for the inhabitants of the regulated area and for manufacturing purposes.

''(3) Whether the major provisions of the order, other than those fixing minimum milk prices, are in the public interest and are reasonably designed to achieve the purposes of the order.

''(4) Whether the terms of the proposed regional order or amendment are approved by producers as provided in section thirteen.

''§ 13. Producer referendum

''(a) For the purpose of ascertaining whether the issuance or amendment of regulations establishing a compact over-order price or a commission marketing order, including any provision with respect to milk supply under subsection 9(f), is approved by producers, the commission shall conduct a referendum among producers. The referendum shall be held in a timely manner, as determined by regulation of the commission. The terms and conditions of the proposed order or amendment shall be described by the commission in the ballot used in the conduct of the referendum, but the nature, content, or extent of such description shall not be a basis for attacking the legality of the order or any action relating thereto.

''(b) An order or amendment shall be deemed approved by producers if the commission determines that it is approved by at least two-thirds of the voting producers who, during a representative period determined by the commission, have been engaged in the production of milk the price of which would be regulated under the proposed order or amendment.

''(c) For purposes of any referendum, the commission shall consider the approval or disapproval by any cooperative association of producers, qualified under the provisions of the Act of Congress of February 18, 1922, as amended, known as the Capper–Volstead Act, bona fide engaged in marketing milk, or in rendering services for or advancing the interests of producers of such commodity, as the approval or disapproval of the producers who are members or stockholders in, or under contract with, such cooperative association of producers, except as provided in subdivision (1) hereof and subject to the provisions of subdivision (2) through (5) hereof.

''(1) No cooperative which has been formed to act as a common marketing agency for both cooperatives and individual producers shall be qualified to block vote for either.

''(2) Any cooperative which is qualified to block vote shall, before submitting its approval or disapproval in any referendum, give prior written notice to each of its members as to whether and how it intends to cast its vote. The notice shall be given in a timely manner as established, and in the form prescribed, by the commission.

''(3) Any producer may obtain a ballot from the commission in order to register approval or disapproval of the proposed order.

''(4) A producer who is a member of a cooperative which has provided notice of its intent to approve or not to approve a proposed order, and who obtains a ballot and with such ballot expresses his approval or disapproval of the proposed order, shall notify the commission as to the name of the cooperative of which he or she is a member, and the commission shall remove such producer's name from the list certified by such cooperative with its corporate vote.

''(5) In order to insure that all milk producers are informed regarding the proposed order, the commission shall notify all milk producers that an order is being considered and that each producer may register his approval or disapproval with the commission either directly or through his or her cooperative.

''§ 14. Termination of over-order price or marketing order

''(a) The commission shall terminate any regulations establishing an over-order price or commission marketing order issued under this article whenever it finds that such order or price obstructs or does not tend to effectuate the declared policy of this compact.

''(b) The commission shall terminate any regulations establishing an over-order price or a commission marketing order issued under this article whenever it finds that such termination is favored by a majority of the producers who, during a representative period determined by the commission, have been engaged in the production of milk the price of which is regulated by such order; but such termination shall be effective only if announced on or before such date as may be specified in such marketing agreement or order.

''(c) The termination or suspension of any order or provision thereof, shall not be considered an order within the meaning of this article and shall require no hearing, but shall comply with the requirements for informal rulemaking prescribed by section four of the Federal Administrative Procedure Act, as amended (5 U.S.C. §553).

''ARTICLE VI. ENFORCEMENT

''§ 15. Records; reports; access to premises

''(a) The commission may by rule and regulation prescribe record keeping and reporting requirements for all regulated persons. For purposes of the administration and enforcement of this compact, the commission is authorized to examine the books and records of any regulated person relating to his or her milk business and for that purpose, the commission's properly designated officers, employees, or agents shall have full access during normal business hours to the premises and records of all regulated persons.

''(b) Information furnished to or acquired by the commission officers, employees, or its agents pursuant to this section shall be confidential and not subject to disclosure except to the extent that the commission deems disclosure to be necessary in any administrative or judicial proceeding involving the administration or enforcement of this compact, an over-order price, a compact marketing order, or other regulations of the commission. The commission may promulgate regulations further defining the confidentiality of information pursuant to this section. Nothing in this section shall be deemed to prohibit (i) the issuance of general statements based upon the reports of a number of handlers, which do not identify the information furnished by any person, or (ii) the publication by direction of the commission of the name of any person violating any regulation of the commission, together with a statement of the particular provisions violated by such person.

''(c) No officer, employee, or agent of the commission shall intentionally disclose information, by inference or otherwise, which is made confidential pursuant to this section. Any person violating the provisions of this section shall, upon conviction, be subject to a fine of not more than one thousand dollars or to imprisonment for not more than one year, or to both, and shall be removed from office. The commission shall refer any allegation of a violation of this section to the appropriate state enforcement authority or United States Attorney.

''§ 16. Subpoena; hearings and judicial review

''(a) The commission is hereby authorized and empowered by its members and its properly designated officers to administer oaths and issue subpoenas throughout all signatory states to compel the attendance of witnesses and the giving of testimony and the production of other evidence.

''(b) Any handler subject to an order may file a written petition with the commission stating that any such order or any provision of any such order or any obligation imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. He shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations made by the commission. After such hearing, the commission shall make a ruling upon the prayer of such petition which shall be final, if in accordance with law.

''(c) The district courts of the United States in any district in which such handler is an inhabitant, or has his principal place of business, are hereby vested with jurisdiction to review such ruling, provided a complaint for that purpose is filed within thirty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the commission by delivering to it a copy of the complaint. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the commission with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. The pendency of proceedings instituted pursuant to this subdivision shall not impede, hinder, or delay the commission from obtaining relief pursuant to section seventeen. Any proceedings brought pursuant to section seventeen, except where brought by way of counterclaim in proceedings instituted pursuant to this section, shall abate whenever a final decree has been rendered in proceedings between the same parties, and covering the same subject matter, instituted pursuant to this section.

''§ 17. Enforcement with respect to handlers

''(a) Any violation by a handler of the provisions of regulations establishing an over-order price or a commission marketing order, or other regulations adopted pursuant to this compact shall:

''(1) Constitute a violation of the laws of each of the signatory states. Such violation shall render the violator subject to a civil penalty in an amount as may be prescribed by the laws of each of the participating states, recoverable in any state or federal court of competent jurisdiction. Each day such violation continues shall constitute a separate violation.

''(2) Constitute grounds for the revocation of license or permit to engage in the milk business under the applicable laws of the participating states.

''(b) With respect to handlers, the commission shall enforce the provisions of this compact, regulations establishing an over-order price, a commission marketing order or other regulations adopted hereunder by:

''(1) Commencing an action for legal or equitable relief brought in the name of the commission of any state or federal court of competent jurisdiction; or

''(2) Referral to the state agency for enforcement by judicial or administrative remedy with the agreement of the appropriate state agency of a participating state.

''(c) With respect to handlers, the commission may bring an action for injunction to enforce the provisions of this compact or the order or regulations adopted thereunder without being compelled to allege or prove that an adequate remedy of law does not exist.

''ARTICLE VII. FINANCE

''§ 18. Finance of start-up and regular costs

''(a) To provide for its start-up costs, the commission may borrow money pursuant to its general power under section six, subdivision (d), paragraph four. In order to finance the costs of administration and enforcement of this compact, including payback of start-up costs, the commission is hereby empowered to collect an assessment from each handler who purchases milk from producers within the region. If imposed, this assessment shall be collected on a monthly basis for up to one year from the date the commission convenes, in an amount not to exceed $.015 per hundredweight of milk purchased from producers during the period of the assessment. The initial assessment may apply to the projected purchases of handlers for the two-month period following the date the commission convenes. In addition, if regulations establishing an over-order price or a compact marketing order are adopted, they may include an assessment for the specific purpose of their administration. These regulations shall provide for establishment of a reserve for the commission's ongoing operating expenses.

''(b) The commission shall not pledge the credit of any participating state or of the United States. Notes issued by the commission and all other financial obligations incurred by it, shall be its sole responsibility and no participating state or the United States shall be liable therefor.

''§ 19. Audit and accounts

''(a) The commission shall keep accurate accounts of all receipts and disbursements, which shall be subject to the audit and accounting procedures established under its rules. In addition, all receipts and disbursements of funds handled by the commission shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

''(b) The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the participating states and by any persons authorized by the commission.

''(c) Nothing contained in this article shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any participating state or of the United States.

''ARTICLE VIII. ENTRY INTO FORCE; ADDITIONAL MEMBERS AND WITHDRAWAL

''§ 20. Entry into force; additional members

''The compact shall enter into force effective when enacted into law by any three states of the group of states composed of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia and when the consent of Congress has been obtained.

''§ 21. Withdrawal from compact

''Any participating state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after notice in writing of the withdrawal is given to the commission and the governors of all other participating states. No withdrawal shall affect any liability already incurred by or chargeable to a participating state prior to the time of such withdrawal.

''§ 22. Severability

''If any part or provision of this compact is adjudged invalid by any court, such judgment shall be confined in its operation to the part or provision directly involved in the controversy in which such judgment shall have been rendered and shall not affect or impair the validity of the remainder of this compact. In the event Congress consents to this compact subject to conditions, said conditions shall not impair the validity of this compact when said conditions are accepted by three or more compacting states. A compacting state may accept the conditions of Congress by implementation of this compact.''.

SEC. 149. PACIFIC NORTHWEST DAIRY COMPACT.

Congress consents to a Pacific Northwest Dairy Compact proposed for the States of California, Oregon, and Washington, subject to the following conditions:

(1) TEXT.—The text of the Pacific Northwest Dairy Compact shall be identical to the text of the Southern Dairy Compact, except as follows:

(A) References to ''south'', ''southern'', and ''Southern'' shall be changed to ''Pacific Northwest''.

(B) In section 9(b), the reference to ''Atlanta, Georgia'' shall be changed to ''Seattle, Washington''.

(C) In section 20, the reference to ''any three'' and all that follows shall be changed to ''California, Oregon, and Washington.''.

(2) LIMITATION OF MANUFACTURING PRICE REGULATION.—The Dairy Compact Commission established to administer the Pacific Northwest Dairy Compact (referred to in this section as the ''Commission'') may not regulate Class II, Class III, or Class IV milk used for manufacturing purposes or any other milk, other than Class I, or fluid milk, as defined by a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Act of 1937 (referred to in this section as a ''Federal milk marketing order'').

(3) COMPENSATION OF SPECIAL MILK PROGRAM.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Pacific Northwest Dairy Compact Commission shall compensate the Secretary of Agriculture for the increased cost of any milk and milk products provided under the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772) that results from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(4) EFFECTIVE DATE.—Congressional consent under this section takes effect on the date (not later than 3 years after the date of enactment of this Act) on which the Pacific Northwest Dairy Compact is entered into by the second of the 3 States specified in the matter preceding paragraph (1).

(5) COMPENSATION OF COMMODITY CREDIT CORPORATION.—Before the end of each fiscal year in which a price regulation is in effect under the Pacific Northwest Dairy Compact, the Commission shall compensate the Commodity Credit Corporation for the cost of any purchases of milk and milk products by the Corporation that result from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(6) MILK MARKETING ORDER ADMINISTRATOR.—At the request of the Commission, the Administrator of the applicable Federal milk marketing order shall provide technical assistance to the Commission and be compensated for that assistance.

SEC. 150. INTERMOUNTAIN DAIRY COMPACT.

Congress consents to an Intermountain Dairy Compact proposed for the States of Colorado, Nevada, and Utah, subject to the following conditions:

(1) TEXT.—The text of the Intermountain Dairy Compact shall be identical to the text of the Southern Dairy Compact, except as follows:

(A) In section 1, the references to ''southern'' and ''south'' shall be changed to ''Intermountain'' and ''Intermountain region'', respectively.

(B) References to ''Southern'' shall be changed to ''Intermountain ''.

(C) In section 9(b), the reference to ''Atlanta, Georgia'' shall be changed to ''Salt Lake City, Utah''.

(D) In section 20, the reference to ''any three'' and all that follows shall be changed to ''Colorado, Nevada, and Utah.''.

(2) LIMITATION OF MANUFACTURING PRICE REGULATION.—The Dairy Compact Commission established to administer the Intermountain Dairy Compact (referred to in this section as the ''Commission'') may not regulate Class II, Class III, or Class IV milk used for manufacturing purposes or any other milk, other than Class I, or fluid milk, as defined by a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Act of 1937 (referred to in this section as a ''Federal milk marketing order'').

(3) COMPENSATION OF SPECIAL MILK PROGRAM.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Intermountain Dairy Compact Commission shall compensate the Secretary of Agriculture for the increased cost of any milk and milk products provided under the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772) that results from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(4) EFFECTIVE DATE.—Congressional consent under this section takes effect on the date (not later than 3 years after the date of enactment of this Act) on which the Intermountain Dairy Compact is entered into by the second of the 3 States specified in the matter preceding paragraph (1).

(5) COMPENSATION OF COMMODITY CREDIT CORPORATION.—Before the end of each fiscal year in which a price regulation is in effect under the Intermountain Dairy Compact, the Commission shall compensate the Commodity Credit Corporation for the cost of any purchases of milk and milk products by the Corporation that result from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(6) MILK MARKETING ORDER ADMINISTRATOR.—At the request of the Commission, the Administrator of the applicable Federal milk marketing order shall provide technical assistance to the Commission and be compensated for that assistance.

H.R. 2883

OFFERED BY: MR. SIMMONS

AMENDMENT NO. 50: At the end of title IV, page 21, after line 12, insert the following new section:

SEC. 404. FULL REIMBURSEMENT FOR PROFESSIONAL LIABILITY INSURANCE OF COUNTERTERRORISM EMPLOYEES.

Section 406(a)(2) of the Intelligence Authorization Act for Fiscal Year 2001 (Public Law 106–567; 114 Stat. 2849; 5 U.S.C. prec. 5941 note) is amended by striking ''one-half'' and inserting ''100 percent''.

H.R. 2646

OFFERED BY: MR. SMITH OF MICHIGAN

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 51: In section 181, strike subsection (e) (page 128, line 23, through page 129, line 9), and insert the following new subsection:

(e) ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.—If the Secretary determines that expenditures under subtitles A, B, and C that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7))), as in effect on the date of the enactment of this Act, will exceed such allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed, but in no case are less than, such allowable levels. To the maximum extent practicable, the Secretary shall achieve the required adjustments by reducing the amount of marketing loan gains and loan deficiency payments obtained by persons whose marketing loan gains, loan deficiency payments and any certificates would otherwise exceed a total of $150,000 for a crop year.

H.R. 2646

OFFERED BY: MR. SMITH OF MICHIGAN

AMENDMENT NO. 52: At the end of section 183 (page ____, beginning line ____), insert the following new subsection:

(d) PAYMENT LIMITATION REGARDING MARKETING ASSISTANCE LOANS TO COVER ALL PRODUCER GAINS.—In applying the payment limitation contained in section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(2)) on the total amount of payments and gains that a person may receive for one or more covered commodities during any crop year, the Secretary of Agriculture shall include each of the following:

(1) Any gain realized by a producer from repaying a marketing assistance loan for a crop of any covered commodity at a lower level than the original loan rate established for the commodity.

(2) Any loan deficiency payment received for a loan commodity.

(3) Any gain realized by a producer through the use of the generic certificate authority or through the actual forfeiture of the crop covered by a nonrecourse marketing assistance loan.

H.R. 2646

OFFERED BY: MR. STENHOLM

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 53: At the end of title I (page 133, after line 13), insert the following new section:

SEC. ___. REPORT ON EFFECT OF CERTAIN FARM PROGRAM PAYMENTS ON ECONOMIC VIABILITY OF PRODUCERS AND FARMING INFRASTRUCTURE.

(a) REVIEW REQUIRED.—The Secretary of Agriculture shall conduct a review of the effects that payments under production flexibility contracts and market loss assistance payments have had, and that fixed, decoupled payments and counter-cyclical payments are likely to have, on the economic viability of producers and the farming infrastructure, particularly in areas where climate, soil types, and other agronomic conditions severely limit the covered crops that producers can choose to successfully and profitably produce.

(b) CASE STUDY RELATED TO RICE PRODUCTION.—The review shall include a case study of the effects that the payments described in subsection (a), and the forecast effects of increasing these or other decoupled payments, are likely to have on rice producers (including tenant rice producers), the rice milling industry, and the economies of rice farming areas in Texas, where harvested rice acreage has fallen from 320,000 acres in 1995 to only 211,000 acres in 2001.

(c) REPORT AND RECOMMENDATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the information collected for the review and the case study and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).

H.R. 2646

OFFERED BY: MR. STENHOLM

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 54: In section 167(a), strike paragraphs (4) and (5) (page 119, line 9, through page 120, line 2), and insert the following:

(4) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producer through—

(A) a designated marketing association of peanut producers that is approved by the Secretary; or

(B) the Farm Service Agency.

H.R. 2646

OFFERED BY: MR. STENHOLM

[Page and line numbers refer to the Amendment in the Nature of a Substitute (Combes.011)]

AMENDMENT NO. 55: Page 213, line 6, strike ''$10 million'' and insert ''$9,500,000''.

Beginning on page 214, strike line 13 and all that follows through line 6 on page 215, and insert the following:

(f) PUERTO RICO.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) in clause (ii) by striking ''and'' at the end;

(B) in clause (iii) by adding ''and'' at the end; and

(C) by inserting after clause (iii) the following:

''(iv) for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the thrifty food plan is adjusted under section 3(o)(4) for the current fiscal year for which the amount is determined under this clause;''; and

(2) in subparagraph (B)—

(A) by inserting ''(i)'' after ''(B)''; and

(B) by adding at the end the following:

''(ii) Notwithstanding subparagraph (A) and clause (i), the Commonwealth may spend up to $6,000,000 of the amount required under subparagraph (A) to be paid for fiscal year 2002 to pay 100 percent of the cost to upgrade and modernize the electronic data processing system used to provide such food assistance and to implement systems to simplify the determination of eligibility to receive such assistance.''.

(g) TERRITORY OF AMERICAN SAMOA.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended—

(1) by striking ''Effective October 1, 1995, from'' and inserting ''From''; and

(2) by striking ''$5,300,000 for each of fiscal years 1996 through 2002'' and inserting ''$5,750,000 for fiscal year 2002 and $5,800,000 for each of fiscal years 2003 though 2011''.

Page 216, line 18, strike ''(h) and (i) shall take effect of'' and insert ''(g), (h), and (i) shall take effect on''.

H.R. 2646

OFFERED BY: MR. STUPAK

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 56: At the end of title VIII (page 339, after line 23), insert the following new section:

SEC. 808. TIMBER SALES FOR UNITS OF THE NATIONAL FOREST SYSTEM.

The Secretary of Agriculture and the Chief of the Forest Service shall ensure that, with

respect to each unit of the National Forest System, a quantity of timber is offered for sale on an annual basis that, at a minimum, is equal to annual allowable sale quantity of timber specified in the management plan for that unit.

H.R. 2646

OFFERED BY: MR. THUNE

AMENDMENT NO. 57: At the end of subtitle B of title II, insert the following:

SEC. 215. EXPANSION OF PILOT PROGRAM TO ALL STATES.

Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in paragraph (1), by striking ''and 2002'' and all that follows through ''South Dakota'' and inserting ''through 2011 calendar years, the Secretary shall carry out a program in each State'';

(2) in paragraph (3)(C), by striking ''—'' and all that follows and inserting ''not more than 150,000 acres in any 1 State.''; and

(3) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

H.R. 2646

OFFERED BY: MR. THUNE

AMENDMENT NO. 58: Add at the end of title IX the following:

SEC. 932. GAO STUDY.

(a) IN GENERAL.—The Comptroller General shall conduct a study and make findings and recommendations with respect to determining how producer income would be affected by updating yield bases, including—

(1) whether crop yields have increased over the past 20 years for both program crops and oilseeds;

(2) whether program payments would be disbursed differently in this Act if yield bases were updated;

(3) what impact this Act's target prices with updated yield bases would have on producer income; and

(4) what impact lower target prices with updated yield bases would have on producer income compared to this Act.

(b) REPORT.—The Comptroller General shall submit a report to Congress on the study, findings, and recommendations required by subsection (a), not later than 6 months after the date of enactment of this Act.

H.R. 2646

OFFERED BY: MR. THUNE

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 59: At the end, add the following (and make such technical and conforming changes as may be appropriate):

SEC. 932. INTERAGENCY TASK FORCE ON AGRICULTURAL COMPETITION.

(a) APPOINTMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall establish an Interagency Task Force on Agricultural Competition (in this section referred to as the ''Task Force'') and, after consultation with the Attorney General, shall appoint as members of the Task Force such employees of the Department of Agriculture and the Department of Justice as the Secretary considers to be appropriate. The Secretary shall designate 1 member of the Task Force to serve as chairperson of the Task Force.

(b) HEARINGS.—The Task Force shall conduct hearings to review the lessening of competition among purchasers of livestock, poultry, and unprocessed agricultural commodities in the United States and shall include in such hearings review of the following matters:

(1) The enforcement of particular Federal laws relating to competition.

(2) The concentration and vertical integration of the business operations of such purchasers.

(3) Discrimination and transparency in prices paid by such purchasers to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.

(4) The economic protection and bargaining rights of producers who raise livestock and poultry under contracts.

(5) Marketing innovations and alternatives available to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.

(c) REPORT.—Not later than 1 year after the last member of the Task Force is appointed, the Task Force shall submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report containing the findings and recommendations of the Task Force for appropriate administrative and legislative action.

H.R. 2646

OFFERED BY: MR. THUNE

[Page and line numbers refer to the amendment in the nature of a substitute, Combes.011]

AMENDMENT NO. 60: At the end, add the following (and make such technical and conforming changes as may be appropriate):

SEC. 932. TASK FORCE ON AGRICULTURAL COMPETITION.

(a) APPOINTMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall establish an Task Force on Agricultural Competition (in this section referred to as the ''Task Force'') and shall appoint as members of the Task Force such employees of the Department of Agriculture as the Secretary considers to be appropriate. The Secretary shall designate 1 member of the Task Force to serve as chairperson of the Task Force.

(b) HEARINGS.—The Task Force shall conduct hearings to review the lessening of competition among purchasers of livestock, poultry, and unprocessed agricultural commodities in the United States and shall include in such hearings review of the following matters:

(1) The enforcement of particular Federal laws relating to competition.

(2) The concentration and vertical integration of the business operations of such purchasers.

(3) Discrimination and transparency in prices paid by such purchasers to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.

(4) The economic protection and bargaining rights of producers who raise livestock and poultry under contracts.

(5) Marketing innovations and alternatives available to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.

(c) REPORT.—Not later than 1 year after the last member of the Task Force is appointed, the Task Force shall submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report containing the findings and recommendations of the Task Force for appropriate administrative and legislative action.

H.R. 2646

OFFERED BY: MR. TIERNEY

AMENDMENT NO. 61: At the end of the bill, insert the following new section:

SEC. 932. REPORT REGARDING GENETICALLY ENGINEERED FOODS.

(a) IN GENERAL.—Not later than one year after funds are made available to carry out this section, the Secretary of Agriculture, acting through the National Academy of Sciences, shall complete and transmit to Congress a report that includes recommendations for the following:

(1) DATA AND TESTS.—The type of data and tests that are needed to sufficiently assess and evaluate human health risks from the consumption of genetically engineered foods.

(2) MONITORING SYSTEM.—The type of Federal monitoring system that should be created to assess any future human health consequences from long-term consumption of genetically engineered foods.

(3) REGULATIONS.—A Federal regulatory structure to approve genetically engineered foods that are safe for human consumption.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of Agriculture $500,000 to carry out this section.

H.R. 2646

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 62: At the end of title IX (page ____, after line ____), insert the following new section:

SEC. ___. COMPLIANCE WITH BUY AMERICAN ACT AND SENSE OF CONGRESS REGARDING PURCHASE OF AMERICAN-MADE EQUIPMENT, PRODUCTS, AND SERVICES USING FUNDS PROVIDED UNDER THIS ACT.

(a) COMPLIANCE WITH BUY AMERICAN ACT.—No funds made available under this Act, whether directly using funds of the Commodity Credit Corporation or pursuant to an authorization of appropriations contained in this Act, may be provided to a producer or other person or entity unless the producer, person, or entity agrees to comply with the Buy American Act (41 U.S.C. 10a–10c) in the expenditure of the funds.

(b) SENSE OF CONGRESS.—In the case of any equipment, products, or services that may be authorized to be purchased using funds provided under this Act, it is the sense of Congress that producers and other recipients of such funds should, in expending the funds, purchase only American-made equipment, products, and services.

(c) NOTICE TO RECIPIENTS OF FUNDS.—In providing payments or other assistance under this Act, the Secretary of Agriculture shall provide to each recipient of the funds a notice describing the requirements of subsection (a) and the statement made in subsection (b) by Congress.

H.R. 2646

OFFERED BY: MR. WALSH

AMENDMENT NO. 63: At the end of chapter 1 of subtitle C of title I (page 75, after line 17), insert the following new section:

SEC. 147. STUDY OF NATIONAL DAIRY POLICY.

(a) STUDY REQUIRED.—Not later than April 30, 2002, the Secretary of Agriculture shall submit to Congress a comprehensive economic evaluation of the potential direct and indirect effects of the various elements of the national dairy policy, including an examination of the effect of the national dairy policy on—

(1) farm price stability, farm profitability and viability, and local rural economies in the United States;

(2) child, senior, and low-income nutrition programs, including impacts on schools and institutions participating in the programs, on program recipients, and other factors; and

(3) the wholesale and retail cost of fluid milk, dairy farms, and milk utilization.

(b) NATIONAL DAIRY POLICY DEFINED.—In this section, the term ''national dairy policy'' means the dairy policy of the United States as evidenced by the following policies and programs:

(1) Federal Milk Marketing Orders.

(2) Interstate dairy compacts (including proposed compacts described in H.R. 1827 and S. 1157, as introduced in the 107th Congress).

(3) Over-order premiums and State pricing programs.

(4) Direct payments to milk producers.

(5) Federal milk price support program.

(6) Export programs regarding milk and dairy products, such as the Dairy Export Incentive Program.

H.R. 2646

OFFERED BY: MR. WALSH

[Page and line numbers refer to the amendment in the nature of a substitute, COMBES.011]

AMENDMENT NO. 64: At the end of chapter 1 of subtitle C of title I (page 75, after line 17), insert the following new section:

SEC. 147. OVER-ORDER PRICING SYSTEM FOR FLUID MILK.

Congress hereby finds that dairy farmers, the overall agricultural sector, local farm-dependent economies, and consumers would benefit from an over-order pricing system for fluid milk administered through identical State approved agreements, as referred to in the bill H.R. 1827, as introduced in the 107th Congress, and hereby consents to each of the regional systems set forth in the bill, subject to the condition that the Secretary of Agriculture make a factual determination that there is compelling public interest for the regional system in the States to be served by the regional system. The Secretary shall make the factual determination on a case-by-case basis and, upon making the determination, shall authorize the operation of the regional system in the States to be served by the regional system.

H.R. 2646

OFFERED BY: MR. WATKINS OF OKLAHOMA

AMENDMENT NO. 65: At the end of title V, insert the following:

SEC. ___. TEMPORARY SUSPENSION OF FORECLOSURE ON CERTAIN REAL PROPERTY OWNED BY, AND RECOVERY OF CERTAIN PAYMENTS FROM, BORROWERS WITH SHARED APPRECIATION ARRANGEMENTS.

During the period that begins with the date of the enactment of this Act and December 31, 2002, in the case of a borrower who has failed to make a payment required under section 353(e) of the Consolidated Farm and Rural Development Act with respect to real property, the Secretary of Agriculture—

(1) shall suspend foreclosure on the real property by reason of the failure; and

(2) may not attempt to recover the payment from the borrower.